Previous references.

File No. 145-06

Serial Nos. 163

later references.

GENERAL AND REVENUE SECRETARIAT.

From

Serial Nos. 163

Part B. for June 0

SUBJECT

Retrenchment of Expenditure & Improvement of Revenue in the Excise Department

To the Excise Commissioner. No. 13.8.28.8 [illegible]
forwards an extract of paras 19–21 from the Comptroller's
view of the progress of revenue & Expenditure for the
period 1896-5 to 1903-4 and the copy of an office note
explaining the possibility of and grounds for justification
for a reduction in the cost of the department and
requests his opinion as to the feasibility of the suggestion
and as to the latter, suitable specific proposals for carrying
out suitable retrenchments in the establishment.

From the Excise Comm[r]. Letter 8.30-1.07
forwards a note for the consideration of the Committee
To the Excise Comm[r]. Comptroller, Secy. Comm. of
Distl. Dy. of Registration, D.C. & Personal
No. 26/2443-5/8. 165-06 8.15.6.07
proposals for the improvement
on the proposed expenditure in the Exc

Note

G.R.S. 11] 1906.

GENERAL AND REVENUE SECRETARIAT.

(Sep. Rev.)

NOTES.

File No. 145-06

FILE HEADING.

Retrenchment of Expenditure & Improvement of revenue in the Excise Department.

From

No.	Dated	Received
Diary No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

1 To the Excise Comr in Mpae
No. 13 & 28.8.06. (Sep. R.C.) no
Forwards an extract apara 196 of
from the comptroller's review of the Progress of
Revenue & Expenditure for the period 1896-95 to 1903-0

NOTES—First sheet.

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	and a copy of an office note explaining the possibility or, and grounds for justification for, a reduction in the cost of the Dept, & requests him to his opinion as to the feasibility of the suggestions made in the latter, with specific proposals for carrying out suitable retrenchments in the Dept
2	From The Excise Comr no. Letter dt 30-1-07. Forwards a note for the consideration of the Committee.
~~3~~	~~To. The Excise~~

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Memo on the Excise Commr:'s Note.

Para 2. The Excise Commissioner warns at the outset that comparisons between Mysore and Madras based on the figures relating to the decade 1894-95 to 1903-4 are anomalous and misleading for the simple reason that the Excise administrations which obtained in the two Provinces were not the same throughout the period in question.

Paras 3 to 7. 2. In regard to revenue from toddy he takes the period during which the system of ~~income~~ Tree tax ~~is~~ has been in force in the two provinces viz., 1897-98 to 1904-5 in Madras and 1898-99 to 1905-6 in Mysore and from the table given in page 3 he concludes that there has been an increase of 47 per cent against 30 per cent in Madras; while with respect to arrack the whole period from the Rendition is taken for purposes of favourable comparison. An examination of the figures regarding incidence in paras 6 and 7 is said to lead to the conclusion that the excise revenue has progressed proportionately more rapidly here than in the Madras Presidency. It will thus be seen that the different conclusions arrived at by the Comptroller and the Excise Commissioner are mainly due to the different data upon which they are based. The Committee also remark in para 4 of their note that the course of excise revenue had very rapid strides before the commencement of the decade under review and that it has been well maintained on the whole, and the suggestions made by them in regard to the enhancement of duty, or retail price of arrack and the tree-tax on toddy are

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are based on considerations of checking the growth of consumption of arrack &c.

Paras 8 and 9. 3. Similarly with different sets of data the Excise Commissioner comes to the conclusion that in the working of the tree-tax system, the cost has increased here only by 87 per cent against an increase of 143 per cent in Madras. But this observation cannot so easily be accepted, for when, for comparison of toddy revenue he takes the period after the introduction of the tree-tax, viz., 1897-98 to 1904-5 and 1898-99 to 1905-6, the growth of establishment is not compared with reference to the same period. For then, against an expenditure in Madras which has been practically constant varying from 9,89,000 to 1,01,000 in that period there has been an increase of about 40,000 in Mysore, i.e., from 1,97,000 to 2,36,000-a little more than 5 per cent.

Para 10. 4. The explanation given by the Excise Commissioner in this para for the variation in the figures under 'other items', - that it is due to the change in classification of items-may be accepted.

Para 11. 5. In this para the Excise Commissioner classifies the various proposals of the Committee under 4 heads, viz.,

i. The removal of the charge under 'cartage' of liquor from service to debt heads,

ii. To enhance the duty and also the retail price of Arrack.

iii. To enhance the tree tax on toddy from Re.1/- to 1/8/0.

iv. Last retrenchment of expenditure.

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	1° period	2° period	3° period
Manufacture	n-10-6	n-6-3	n-8-6
Transport	n-1-7	n-1-10	n-2-4
Mat	n-12-1	n-8-1	n-10-10
Retail price	5-5-n	6-6-n	6-6-n
Profit	4-8-11	5-13-11	5-11-2

Distribution Profit	Duty	4-n	4-12-n	4-12
	Rental	n-7-2	1-1-7	n-15-8
	Venue	n-1-9	n-n-4	-n-n-6
		4-8-11	5-13-11	5-11-2

Period.	Licensee's Cost price.									Retail price per gallon.			Vendor's Profit per Gallon.			Incidence of Rental.					Net Profit.			A co tra per
	Duty per gallon			Price per gallon			Total.									Average quantity consumed per annum	Rental average per annum	Rental per Gallon.			% of Rental of profit.			
																Gallons	Rs				X			
1892-93 to 1896-97. 5 years	4	-	-	-	10	6	4	10	6	5	5	-	-	10	6	4, 10, 238	1, 84, 287	-	7	2	68	-	3	4
1897-98 to 1901-02 5 years	4	12	-	-	6	3	5	2	3	6	6	-	1	3	9	3, 25, 115	3, 57, 973	1	1	7	89	-	2	2
1902-3 to 1905-6. 4 years	4.	12	-	-	8	6	5	4	6	6	6	-	1	1	6	3, 45, 079	3, 39, 363	-	15	8	89	-	1	10

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It has been conceded by the Committee that with the introduction of the proposed change there must necessarily be a fall in the existing shop-rental and that the proposal is not made with a view to financial gain, but to remove the anomaly of charging cartage of liquor as Government expenditure. There is no immediate connection between the enhancing of the retail price of arrack and the suggested proposal to justify the observation that the direct recoupment of such incidental charges from the arrack retail vendee by a uniform enhancement of retail rates will be unpopular. That a uniform recovery of the cost of cartage at the high rates allowed to the contractors on a general provincial contract irrespective of distances might lead to valid representations on the part of arrack vendors in Bangalore and ~~adjaining~~ adjoining districts is however a ground worthy of some consideration. Then again the Excise Commissioner draws attention to the fact that the method at present adopted for transport and distribution of liquor through the agency of the carrying contractors is unfortunately not free from defects and he has reported to Government in his administration report to Govt: 1903-4, and in his letter re - the Kolar defalcation case of November 1906, about the inconveniences of having the bonded depots worked through private agency. Proposals have been called for by Government in this connection in File No.S.R.84 of 1906 and are awaited Moreover the Excise Commissioner says in para 18 of his note that the expenditure now incurred on account of remuneration to contractors admits of being

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considerably reduced, 1st by transferring the maintenance and control of Bonded Warehouses from the contractors to Government and secondly by re-arranging the rates and thereby lessening the cost of transport itself. He estimates that a saving of Rs. 15,000 will thus be effected. It is therefore desirable to drop for the present the change in question which has been advocated on considerations of correct accounting and classification.

Paras 21 to 39. 7. The point that is next discussed by the Excise Commissioner is the enhancement of duty and retail price of arrack from Rs.4-12-0 to Rs.5 and 6-6-0 to 7-7-0 respectively and various reasons are put forward by the Commissioner for not accepting the proposal of the Committee.

This part of the report is very instructive reading and the conclusions arrived at by him may be finally accepted. Indeed, the Committee suggested the possibility of enhancing the duty and the retail price merely to check the increasing consumption, conceding at the same time that the present rates are sufficiently high.

The arguments advanced by the Commissioner in support of his opinion to leave things **statu** quo may be summarized as follows:-

1) In the first place the increasing tendency in the three years 1902-3 to 1904-5 which led the Committee to make the suggestion has not been continued in the next year in 1905-6, and secondly, the labourers' purchasing power has not apparently increased to any extent so as to justify the proposal for further enhancement of duty, which is at present

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much above the highest of the rates prevailing in the adjoining Presidency,

2) Discussing the proposal on abstract principles i.e. those underlying the universally recognized motto of the maximum of revenue from a minimum of consumption, the Excise Commissioner concludes as follows:-.

1 a) Any enhancement of the retail price of country spirits is decidedly a point gained in favour of foreign liquor, as the latter pays no duty to the State and the proposal to raise the selling price to 7-7-0 per gallon of 20' U.P., will allow the wine merchant, who has perhaps to pay a duty of only Rs.5-6-0 per gallon of the same strength, to thrive at the expense of the arrack licensee and also the Mysore State.

2 Similarly the low price of beer which brings but a nominal duty of 2 annas per gallon must be a check on the increase of taxation on country spirit inasmuch as any advance of beer consumption at the expense of arrack will highly tell upon the large revenue now derived from the latter.

3 b) The danger of increasing illicit distillation is a real one that has to be faced before additional taxation is decided upon. Various authorities are quoted upon the point.

4 c) From the table given on page 35 regarding the prevalent rates of duty, cost price and retail price of arrack, the possibilities of smuggling of cheap arrack from adjoining British territories to Mysore, as well as of driving the drinking population to British shops have to be faced if the retai

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price is enhanced as proposed. The effect of the unequal competition in consequence of the differences in price of arrack in the adjoining parts in Madras and Mysore is said to be visible to a certain extent in the low incidence of arrack consumption in the districts of Mysore, Tumkur, Hassan and Chitaldrug as compared with the Madras bordering districts where it must be understood the selling price of arrack is not fixed as here but is left to the option of the vendor, subject only to a minimum prescribed.

3) Certain additional arguments are advanced by the Excise Commissioner in para 39 in support of his view, but they do not seem to be of ~~sufficient~~ much force.

On the whole it may be said that the reasons put ~~forward~~ forward by the Excise Commissioner are sufficiently strong against the feasibility of the proposal to enhance either the duty or the retail price of arrack.

Paras 40 to 46. 8. The important point dealt with in these paragraphs is the suggestion of the enhancement of the tree-tax on date trees from Re.1 to Rs.1-8-0. The Excise Commissioner recommends instead that the tax on date toddy be raised from Re.1 to 1-4-0 and that on Bagani from 1-8-0 to Rs.2, and advocates ~~that~~ the levy of local cess - a feature peculiar to Mysore-should be abolished with great advantage both in the way of simplifying accounts and also of increasing the revenue. He estimates the increase of revenue at Rs.15 to 20,000 as stated in para 46 of the note.

The arguments that he advances in support of his re-

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recommendations are -

1st, that, as the only charge in Madras on the tree is the tree-tax varying from 1-8-0 to Rs.2 in the bordering districts of Mysore instead of as here, ~~viz.~~, the tax plus local cess, the raising of the tree-tax to the Madras level will place the Mysore licensee at some disadvantage which might heavily affect the amount of rental and give rise to mal-practices.

secondly, that the cess on rental which has been levied with effect from the beginning of the current year under G.O. of the 7th April 1904 is another charge that the licensee has to bear if the amount of rental is to be unaffected, which charge is approximately calculated to be an additional tax on the tree to the extent of 2½ annas on date and 1½ annas on bagani,

thirdly, that the local funds for whose benefit the new cess has been imposed will not suffer by the abolition of the cess as a separate levy (if 1/17 of the total taxation be credited to local funds).

Fourthly, that the excise accounts will be largely simplified.

Against the levy of cess on rental the Excise Commissioner has repeatedly represented to Govt., and on his recommendation effect was not given to the order of 1904 for 2 years.

(Please see papers flagged B and C).

The simplification of the accounts by the merging of the cess in the way proposed is a feasible ~~suggestion~~ idea and was suggested by the Excise Commr: in connection with the revision of the Excise accts: proposals are still due from the Excise Commr and orders of Govt. are pending in this matter. for which are still due from the Excise Comm in

Note—Contn. sheet Flag D.

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Paras 47 to 51. 9. Coming to the question of retrenchment, the Excise Commissioner appears to make out that the excise establishment in Mysore is not more liberal than that of Madras, where the apportionment of the total cost among different heads viz., salt, excise and customs is said to be made on an arbitrary basis and not in proportion to the revenue under those heads, as explained in the table given on page 47. It may here be noted that the Excise Commissioner has overlooked one important fact viz., that the proportion of revenue from salt and excise viz., 45 to 55 as against the ratio of 65 to 30, in Madras is easily accounted for, because the revenue from excise is expanding while that from salt has considerably decreased owing to a reduction of taxation of 40 per cent in two instalments. I f this be allowed the proportion of the revenues under each of the two sources would be more than reversed and the ratio of Excise expenditure to revenue would not be 7½ per cent as calculated by the Excise Commissioner but 6 per cent as observed by the Committee. The same observation has to be made for the conclusion arrived at by the Excise Commissioner in regard to the relation between the total revenue and expenditure under both salt and excise in Madras as compared with that in Mysore for 1905-6 viz., a ratio of 9½ per cent against 8 per cent while after making due allowance for the remission of salt duty the per centage will be appreciably less than 8 per cent.

The 3rd set of figures taken by the Excise Commissioner in support of his view is the per centages

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of revenue and expenditure of the Bellary and Arcot Sub-divisions where there is said to be little or no salt work and of Mysore, (minus head-quarter expenditure) and the result arrived at is that they are 7.5 and 7.9 in the two former sub-divisions against only 5.7 in Mysore. In other words against a revenue of 46 lakhs in 1905-6 in the two divisions, there has been an expenditure of about 3½ lakhs against 40 and 2⅔ lakhs in Mysore. But there is one significant fact that should not be left out of consideration and that is the area and population in the 2 places under comparison are different as shown in the margin and the preventive establishment should necessarily be larger in proportion.

	Mysore.	Madras.
Area. . . .	29,400	45,000
Population. .	5½ millions	8¼ m

Another circumstance that should be allowed for is the different proportion of European, Eurasian and Indian element in the personnel of establishment of the two places. The Excise Commissioner seems to doubt the accuracy of the Committee's remark that 'the difference of pay between the officers of Madras from the corresponding men here' is not peculiar to the Excise Department. A careful glance at the Civil list and the budget in the two places will show that the observation is not opposed to facts.

Apart from the civil service element which for obvious considerations as stated by the Committee have to be left out of account, in almost every department except perhaps the P.W.D., the Munsiffs and Amildars the difference of pay in the superior officers in

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the two places are with some exceptions certainly marked. Take for instance, the superior officers of the Police department, - the superintendents and Assistant Superintendents, Assistant Accountant Generals which appointment is by no means reserved for Europeans, Native Collectors and District Judges, Sub Judges &c. Assuming therefore that the difference of pay between officers of corresponding rank in Mysore and Madras is not so great as is imagined the Excise Commissioner agrues that Assistant Commissioners here should be taken to correspond to Inspectors in Madras and that therefore Mysore is not at all so well equipped in its Excise establishment as an equal portion of Madras, area for area, as explained in para 60 of the note. Though it should, in a way, be admitted that the salary of Inspectors and the sub-staff in Mysore may not perhaps be quite equal to the task they may be called upon to perform, the conclusions of the Excise Commissioner cannot be accepted without an explanation.

Paras 62 to 74 and to the end. - 10. In these paras, the Committee's proposals regarding the possibilities of retrenchment in the establishment of the Excise Department, are discussed in detail. In the subsequent ones the views formed by the Excise Commissioner are summarised.

The most important of these proposals are the abolition or reduction in the number of divisional officers, and the abolition of the Deputy Excise Commissionership.

(a) On the first point the Excise Commissioner refers to the Government order of 1st August 1904

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in which connection the question of tacking on Excise work to Revenue Assistants has been exhaustively discussed and adds that since the recent revision in the sub-divisions and the change in the system of maintaining accounts, the argument then advanced ~~is said to~~ gains additional force. In this connection the views of the Excise Committee contained in paras 288 and 289 of their report and their conclusions in regard to the nature, strength and cost of Excise establishments (para 294) are quoted.

The first alternative proposal of tacking on the Excise work to Revenue ~~work~~ assts being thus condemned with very strong support, the Excise Commissioner is of opinion that no reduction should be effected in the number of Divisional officers at this stage, and that his proposals regarding the re-organization of the district clerical staff (Excise branch) to work up the Excise department on the lines enunciated by the Excise Committee in para 286 of their report may be awaited. The views and proposals of the Excise Committee re- Excise controlling officers' relation to the District authorities, viz., that it should be analogous to that of a District Superintendent to a Collector are worthy of adoption in Mysore. But it is a question for consideration whether the number of Divisional officers may not at the same time be reduced.

(b) The Excise Commissioner has no objection to the abolition of the Deputy Excise Commissioner on Mr.Davy's retirement. But he makes out a case for entertainment of a specialist at Head-quarters to supervise the working of the Distillery, be in

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charge of training class &c., and generally to advise the department on technical matters, and since the specialist may be had on Rs.300 to 400, a saving of about Rs.500 to 600 is said to be feasible.

11. Before discussing the other proposals made by the Committee, the Excise Commissioner offers his general observations against the policy of replacement of annual sales of shops by those of greater duration, and is supported also by the opinion of the Excise Committee, who exhaustively discuss the subject in paras 191 to 213 of their report; and even if any modification in the duration of leases is to be adopted, he opines that that circumstance will not of itself lessen the work of the subordinate executive officers to such an extent as to render a reduction of the staff feasible.

He is however, prepared to reduce the temporary establishment of two Inspectors and two peons for ganja work, the special patrol party stationed in Kolar Gold Fields, with a saving of about Rs.2,000 per annum.

Regarding the abolition of temporary establishment attached to district offices, the Excise Commissioner points out that in accordance with the G.O. of 5th May 1906, the temporary menial staff has been dispensed with, and the cost thereof utilized in providing for the menial staff establishment of the newly constituted Hassan and Chitaldrug Divisions though temporarily and requests that the question of abolishing the temporary clerical establishment consisting of 7 clerks may be deferred pending

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submission of his proposals regarding revision of District Excise clerical establishment, which is estimated to provide a saving of Rs.2,000 per annum.

The Excise Commissioner is opposed to the abolition of 6 Probationary Inspectors for the reasons given at length in para 81 of his note, While he accepts the reduction of Rs.6,000 in the cost of uniforms as proposed, he says that ~~thexxxxdxx~~ a n y definite reduction in the amount of Travelling Allowance is not possible nor expedient, as the total amount thereunder varies.

The reduction ~~xixx~~ in the menial staff of the Excise Commissioner himself is left to the discretion of the Committee and the question is discussed in another connection.

In the last two paras of his note the Excise Commissioner concludes that a reduction of Rs.32,000 in the annual expenditure is possible as explained by him, and that on the other hand, an addition to revenue of a lakh of Rupees (minus the 73,000 estimated amount of cess on rental recently levied since the commencement of this year) will be realized by enhancing the tree-tax ~~and all~~ on Date trees to 1-4-0 and baggani to Rs.2.

The Committee proposed a reduction of Rs.45,000 of which Rs.2,5000 were in connection with the reduction in the number of Divisional officers and the abolition of the Deputy Excise Commissionership; against this, the Excise Commissioner shows a saving of Rs.5,000 under the latter, and proposes to secure a saving of Rs.15,000 in the cost of carriage of liquor in lieu of the former.

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12. The several questions have been well discussed and the Excise Commissioner's views appear to be generally sound and worthy of acceptance.

16
26.2.07

I Whyte not prepared to agree with the Excise Cr in the arguments he has advanced against any increase in the retail price of Arack. I feel inclined to acquiesce in his conclusion in view of the fact that we are on the eve of a new contract for its manufacture, & we know not what the future rate may be. As this supervenes on the collapse of Arbuthnot & Co's scheme, probably the rate will be higher than what has ruled in the past - but, if not excessive it may be practicable to raise the retail price if not throughout the State, at all events in the cities of Mysore Bangalore & Kolar Gold Fields - For this and any other alteration in the system, it seems to me to be advisable to wait till the Govt of India review the Excise Committee's Report and pass their resolution in the matter - Prices ruled so much higher then as compared with the case at present -

2 The Excise Comm^r's proposal for revising the details of the Contract for Arack Transport may be awaited - If it should become too late to make new arrangements for 1907-08, these should be postponed for

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for 1908-09, and be entered in 07-08. Called in the usual form -

3 It is also undesirable to make any large addition to the Free Tax and enhance the price cost of Toddy, lest it should lead to making the more deleterious and unpreparable to the Consumer - The amalgamation of the Toddy Cess with Rental & Free Tax is necessary for convenience of accounts; & in this view, the Toddy Cess may be abolished as a separate tax & the Free Tax fixed at Rs 1-4 for Date trees & Rs 1-8 or Rs 2 for Palmyra trees.

4 The opinion of the Excise Commr in regard to Establishments has also been accepted - With vigorous Distt admn I cannot help thinking that the Excise Asst Commrs can be dispensed with - except perhaps in the Tinnevelly Distt. But the Security of Revenue under the Free Tax System is so much dependent on efficient & constant supervision of Groves & Trees that it seems inexpedient at this time to think of any change in that way -

25 May

I agree with the Excise Commr that it is inadvisable to increa the retail price of arrack

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The question may be further considered as suggested by the Pol. Councillor after the Excise Committee's report is received by the Govt of India. I cannot very hopeful of our being able to make arrack dearer to the consumer.

There is plenty of time for sending in detailed proposals for revising the contract for arrack transport for 1907-08. The Excise Commr may be at once requested to submit his proposals which are expected to result in a saving of about Rs 15,000. I do not think it necessary to postpone this for 1908-09.

I agree to the Tree tax being fixed at Rs 1/4/0 per tree (Date Toddy) - and Rs 2/- per Bugnum tree - these rates to include local cess on tree tax & on rental

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such local cess being separa
calculated & credited to
the Local Funds by the Comptr
An additional revenue of Rs 20,000 is
expected from this source
A separate local cess will
not be levied for tree tax
or rental of shops. This arran
will be much appreciated
by the Contractors.

The Excise Commrs gen
may be accepted provisiona
regarding the retention of
the Excise Asstt Commrs.
The Excise revenue is, from
its nature, of a fluctuating
character & largely depen
dent on efficient arrangt
of supervision & control.
It is not safe to do away
with the Asstt Commrs
tho' admittedly their work is
light and does not bear com
parison with that of Revenue

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Police Officers – Other work may be found for them as Inspectors of Registration Offices and Inspectors of Stamps.

Mr Davy's place need not be filled. It may be necessary to appoint a specialist in a small way, to take charge of the Distillery & give technical advice to the Excise Commr. & be in charge of the Drawing Class – This may be considered later on

H. H. Cunningham
2d Councillor

26/3/07.

I am sorry that I am unable to agree in this. I take my note on the proposal for a Stamp Commr.

HHC 31/M 07

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Memorandum on the possibilities of retrenchment and improvement of Revenue in the Excise Department, called for in G.O.No.Fl.7166-211 dated 30th April 1906.

.....

The marginally noted papers explain in detail the suggestions originally put forward by the Committee, and the views and observations of the Excise Commissioner in regard to the feasibility of the adoption of the proposals made. The several questions have been exhaustively discussed by the Excise Commissioner, and though the Committee are not prepared to accept in entirety his reasoning, the conclusions appear to be generally sound and worthy of acceptance.

1. Letter No.Fl.2641 dated 26.10.1905 from the Secretary to Govt: to Excise Commissioner.
2. Letter No.297 dated 4.12.1905 from the Excise Commissioner in reply to the above.
3. Letter No.13 dated 23.3.1906 to the Excise Commissioner forwarding the Committee's preliminary note with six statements.
4. Letter dated 30.1.1907 from the Excise Commissioner forwarding his note in reply.
5. Memo containing the office note of the Secretary, Retrenchment Committee, and the recorded opinion of the Councillors.

Committee's original Proposals.

2. The original proposals of the Committee may be classified under 4 heads:-

(i) Enhancement of duty and retail price of arrack from Rs.4-12-0 and 6-6-0 respectively to Rs. 5-0-0 and 7-7-0.

(ii) Raising the tree tax on date trees from Re.1 to 1-8-0.

(iii) The removal of the charge under Remuneration to Contractors for carrying liquor from

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'service' to 'debt' heads.

(iv) Retrenchment of expenditure in the cost of Excise Establishments to the extent of Rs.45,000 per annum.

3. First, as to enhancement of duty and retail price of arrack: The Excise Commissioner has advanced various arguments for not accepting this proposal of the Committee, who however, although not prepared to agree with the Excise Commissioner in his arguments, feel bound to agree with him that, at the present stage at any rate, it is inadvisable to raise either the duty on or the retail price of arrack. We are now on the eve of a new contract for the manufacture of arrack and we know not what the future rate may be. As this supervenes on the collapse of Arbuthnot's Firm, probably the rate would be higher than what has ruled in the past. But if not excessive, it may be practicable to raise the retail price if not throughout the State, at all events in the Cities of Mysore, Bangalore and Kolar Gold Fields. For this and any other alteration in the system, it seems to the Committee to be advisable to wait till the Government of India review and pass orders on the Report of the Indian Excise Committee who have also considered the subject.

4. In the opinion of the Committee it is also undesirable to make any large addition to the tree tax viz., from Re.1 to 1-8-0 as in the Districts of Madras or to unduly enhance the prime cost of toddy, lest it should lead to making the more

Enhancement of the tree tax from Re.1 to Rs.1-4-0 and 1-8-0 to Rs.2 on date and toddy trees respectively and the abolition of a separate levy of local cess.

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more deleterious arrack preferable to the consumer. The Excise Commissioner proposes instead that the tax on date trees be raised from Re.1 to 1-4-0 and that on Bagani from Rs.1-8-0 to Rs.2 and advocates that the levy of a local cess - a feature peculiar to Mysore-should be abolished with great advantage both in the way of simplifying accounts and also of increasing the revenue, 1/17th of the tree tax and rental collected being credited to Local Funds in lieu of the proceeds of the cess.

In the first place it has been pointed out that the levy of local cess on tree tax and on shop rental is without a parallel in any of the British Presidencies, while the cess on toddy rental is a recent imposition dating only from the commencement of the current year and has not been extended to similar rentals in respect of arrack and other intoxicating drugs. The G.O.No.668-77/Ex.F.6-02 dated 7th April 1904 sanctioning the separate levy of local cess on the rental of toddy shops had for its object the improvement of the resources of the Local Funds, 'which are so sadly in want', but the Excise Commissioner has repeatedly pointed out that the separate levy of this cess would discourage contractors and act prejudicially on the shop rental, and in accordance with his views it was post-postponed till the commencement of this year, 1/17th of the shop rental being however, credited to Local Funds in the two years 1904-5 and 1905-6.

The amalgamation of the local cess with rental and tree tax will certainly tend to further simplification of accounts than is already expected to be secured by the issue of the recent order of 14th December

1906

U (linked file)

S4434-05 T
15 Dec 06

GPB—50,000—23 10-05

Serial No.

1906 prescribing the accounts of the Excise Revenue to be kept in the several offices, and this arrangement, to which the late Comptroller Mr.Basu had no objection, will be much appreciated by the contractors themselves.

Neither the General Revenues nor the Local Funds for whose benefit the new cess has been imposed will suffer by the abolition of the local cess as a separate levy as it is proposed that the necessary adjustment should be made in the accounts by apportioning the credits in due proportions, while the net result of the adoption of the proposed course is estimated to result in an additional revenue of Rs.20,000 per annum, even after making allowance for the compensation payable to Local Funds as per calculations below:-

	Date.	Bagani.	Total.
Number of trees tapped.	4,61,932	15,830	4,77,962
Tree tax at present rate.	4,61,932	23,745	4,85,677
Cess at one anna.	23,871	1,484	30,355
Cess on rental.	71,470	1,454	72,924
Total. . .	5,62,273	26,683	5,88,956
ee tax at Re.1-4-0 Date and Rs.2 Bagani.	5,77,415	31,660	6,09,075
Additional Revenue.	15,142	4,977	20,119

5. After careful consideration of all the circumstances

Note—Contn. sheet

GPB—50,000—23 10-05

Serial No.

circumstances, the Committee accept the proposal of the Excise Commissioner and they accordingly recommend that with effect from the next official year viz., 1907-8

i) The tree tax on date trees be raised from Re.1 to 1-4-0 per tree, and the tree tax on Bagani trees from Rs.1-8-0 to Rs.2 each.

ii) that the separate levy of a local cess on tree tax and shop rental be abolished;

iii) that to secure uniformity and simplification of accounts the cess on tree rent also be merged in the main item itself, and the total amount of 4 as. 3 ps. per tree be credited to Government, the small amount of about Rs.4,000 now recovered and credited to Local Funds as cess on tree rent, (which is also proposed to be merged) being made up by the increased levy on the tree tax, - viz., 1 anna 2 ps. on date trees, and 1 anna 10 ps. on Bagani instead of one anna and one anna six pies respectively;

iv) that one-seventeenth of the tree tax and of the toddy shop rental collected be credited to Local Funds in lieu of the one anna cess on tree tax and shop rental;

v) that the adjustment of the cess be made quarterly by the Comptroller in communication with the Excise Commissioner.

Change of classification re 'Cartage of liquor'

6. The feasibility of the suggestion, that the remuneration to contractors for carrying liquor from distillery to bonded depots should not be finally charged as Government expenditure but should be shown as advances

GPB—50,000—23 10-05

Serial No.

advance and adjusted by recovery of the cartage from the arrack vendors in the same way as cost price of arrack, has been fully discussed in the Committee's note and by the Excise Commissioner also. The change, if made while the present form of the carriage contract is in force, would press unequally on the vendors throughout the Province trenching materially on the margin of profits of several of them. For, a uniform recovery of the cost of cartage at the rates now allowed to the contractors on a general Provincial contract irrespective of distances would lead to just complaint on the part of arrack vendors nearer headquarters. The Excise Commissioner states that the expenditure now incurred on account of remuneration to contractors (Rs.50,000) admits of being considerably reduced, 1st - by transferring the maintenance and control of bonded warehouses from the contractors to Government, and secondly, by re-arranging the routes and thereby lessening the cost of transport itself. He estimates that a net saving of about Rs. 15,000 will thus be effected. His proposals may be awaited.

On these considerations the Committee do not wish to press for the adoption at present, of the change of charging the cost of transport to the arrack retail vendor. Proposals for remedying the defects noticed in regard to the control of bonded warehouses have already been called for by Government in File S.R.84 of 1906 and as there is time for sending in detailed proposals for revising the contract for arrack transport and calling for tenders for fresh contract, the Excise Commissioner may be requested to submit

5 (linked file)

GPB—50,000—23 10-05

Serial No.

submit proposals at a very early date, in view to the net saving of Rs.15,000 being realized with effect from 1907-8.

7. The most important proposals under this head are, the abolition of the Deputy Excise Commissionership and the reduction in the number of Divisional officers.

Retrenchments of expenditure, - Abolition of the Dy.Excise Commissionership and reduction in the number of Divisional Officers.

The Excise Commissioner agrees to the abolition of the former post on the retirement of the existing incumbent, but he adds that it may be necessary to appoint a specialist on smaller pay, to take charge of the Distillery and Training class, supervise the cultivation and preparation of ganja &c., and generally to advise on all technical questions of the Department. The Committee however, recommend that the question of appointing a Specialist in place of Mr.Davy may be deferred for the present, that the Headquarter office Assistant or the Bangalore Divisional Officer may conveniently be in charge of the Distillery, and that the supervision of the cultivation and preparation of ganja &c., may be entrusted to the several Divisional Officers themselves.

As regards the retention of the 8 Divisional Officers for the 8 districts, the Committee after careful consideration recommend that the Excise Commissioner's opinion may be accepted provisionally that no reduction in the number of officers need be effected at this stage, and that his proposals regarding the re-organization of the District clerical

GPB—50,000—28.10.05

Serial No.

staff (Excise Branch) to re-arrange the Excise Deptt: on the lines enunciated by the Excise Committee in par. 236 of their report may be awaited. The views and proposals of the Excise Committee re Excise controlling officer's relation to the District Authorities viz., that it should be analogous to that of a District Superintendent of Police to a Collector are in the opinion of the Committee worthy of adoption in Mysore.

The security of revenue under the tree tax system is so much dependent on constant and efficient supervision of groves and trees, and the whole Excise Revenue itself is, from its nature, of a fluctuating character and largely dependent on efficient arrangements of inspection and control, that it seems inexpedient in existing circumstances to think of any reduction in the existing number of Divisional Officers - though admittedly, their work is light

[inor items of retrenchment.

8. (i) Reduction of the menial establishment of the Excise Commissioner's office by 5 peons.

(ii) Abolition of the establishment of the Deputy Excise Commissioner and of the temporary establishment attached to Districts.

(iii) Abolition of the local allowance and house rent to Kolar Divisional Officer.

(iv) Abolition of 6 Probationary Inspectors and reduction of Executive menial establishment by 50 peons.

(v) Reduction in the allotment for uniform

(vi) Reduction in the allotment for travelling allowance.

Note—Contn. sheet

GPB—50,000—23 10-05

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9. The Excise Commissioner leaves item No.1 to be disposed of at the discretion of the Committee, and the question is discussed in connection with the revision of the menial establishment of all head-quarter offices.

In regard to item No.2, the Excise Commissioner says that by combining the Deputy and Assistant Commissioners' establishments and placing the whole in charge of the Divisional Officer as Assistant to the Deputy Commissioner in the Excise Department he can safely guarantee a reduction of the cost by Rs.2,000 a year, that he shall formulate and submit detailed proposals in due course and that this sum may be counted upon as a possible reduction in the expenditure. Added to this, the Committee expect that a reduction in the Account and Stores branch of the Excise Commissioner's office to the extent of an additional sum of Rs.2,000 may be secured as the result of the simplification of the account work in that office by the recent order of the 14th December 1906. The Committee therefore accept the view of the Excise Commissioner who may be requested to expedite his proposals towards re-organizing the whole clerical staff, the net result of which may safely be taken at Rs. 4,000 per annum.

The local and house rent allowances of the Kola Assistant Commissioner may, the Excise Commissioner says, be brought under reduction, in case the Government should consider that the Divisional Officer's residence on the Fields is not necessary to protect the large Excise interest involved in that City. The Committee would have left this undisturbed but for the

Note—Contn. sheet

GPB—50,000—23 10-05

Serial No.

circumstance that, as a consequence of the proposed re-arrangement of the District Excise staff, the Head-quarters of the Divisional Officer will have to be shifted to Kolar when the necessity for the special allowances does not seem to be apparent.

Agreeing with the Excise Commissioner the Committee recommend that the allowances of the Divisional officer and his establishment may be abolished, and the head-quarters changed to Kolar.

The Excise Commissioner deprecates the abolition of the six Probationary Inspectors as a very undesirable measure. And for the reasons stated by him at some length, the Committee do not desire to press for the reduction in the number of Inspectors or of their menial staff

The Committee note that the Excise Commissioner is agreeable to the proposed reduction of allotment under uniforms, from Rs.12,000 to 6,000 the supply being limited to one suit per annum or two suits biennially as in the Police or the Forest Department and sandals being substituted for boots, which latter are a luxury and often-times an encumbrance to peons.

Regarding the proposed reduction under Travelling allowance, which will vary with the extent of touring actually done, the Committee agree with the Excise Commissioner that it is not possible nor expedient to limit it to a fixed sum.

Lastly, the Committee are glad to state that the Excise Commissioner is prepared to disband the temporary ganja establishment and the Kolar Patrol Party, costing about Rs.2,000 per annum, which reduction may be brought into effect from the commencement of

Note—Contn. sheet

GPB—50,000—23 10-05

Serial No.

the next official year.

Financial results.

10. The financial result of the Committee's recommendation may be summarised as follows:-

	Rs.
(1) Enhancement of the tree tax on date trees from Re.1 to Rs.1-4-0 and Rs.1-8-0 to Rs.2 for Bagani, the local cess on tree tax and shop rental being abolished.	20,000
(2) Decrease of Expenditure.	
(a) Under Remuneration to contractors for carrying liquor.	15,000
(b) Under Excise establishments, -	
(i) Abolition of the Deputy Excise Commissionership, 800 x 12	9,600
(ii) Reduction in the clerical staff in the office of the Excise Commr: and the Districts after re-organization.	4,000
(iii) Abolition of the local allowances to Kolar Asstt: Commr: and his establishment.	1,368
(iv) Reduction in the allotment on account of Uniforms.	6,000
(v) Abolition of the temporary ganja establishment and Kolar Patrol Party.	2,016
Ganja.	
2 Inspectors. 25, 20 Horse allowance. 2(10) Peons. 2(7) — 79 x 12:	948
Kolar Patrol Party.	
1 Asstt: Inspector. 35 Horse Allowance. 10 6 peons. 2(8), 4(7) — 89 x 12	1,068

NOTE—Contn. sheet

GPB—50,000—23 10-05

37984

Serial No.

Or in round figures Rs.38,000.

First Councillor.

Second Councillor.

No.IV. Dated Bangalore, 1st April 1907.

Forwarded unofficially to the Secretary to the Government of Mysore, General and Revenue Departments.

Secretary,
Retrenchment Committee

Submitted to the Secy with a draft order as directed.

6.4.07.

GPB—50,000—25-10-06

Serial No.

Clean copy of draft order as revised is put up. The draft speaks for itself. The only points that require separate notice are the following.

The proposal that the licensee or vendor should bear the cost of conveying the liquor to the bonded depot is one that is quite reasonable ~~in~~ in itself, and that will have to be adopted eventually after the routes have been re-arranged, and the present carriage contract is revised. This is foreshadowed in para 6 of the dept. I have written demi-officially to the Excise Commr to send up his proposals soon as wards the saving of Rs 15,000 expected to be immediately feasible.

It is better to put the Head Quarter Office Assistant in charge of the distillery in preference to the divisional officer, as the latter will be often away from Bangalore. (Para 3 of draft)

Para 4 of dept. Granting that each district requires an Excise officer of its own, at all events for some time to come, it is by no means clear that he should be of the status

Why not the Excise Commr who will generally be at Head Qrs?

NOTE—Contn. sheet

Serial No.

of an Asstt Comm^r. The work of a District Excise Officer is admittedly lighter, and this particularly so in the Districts of Kaira, Hassan, Chitaldrug and Shimoga. The majority of the present Dist. Excise Officers have been taken from the rank of Amildars, and some of them are even now merely acting in Asstt Comrs, their confirmation having (I believe) been purposely deferred by Government pending the consideration of retrenchments in the Excise Dept. It seems quite sufficient to put in a competent Amildar as District-Excise Officer for the four Districts mentioned without making them Asstt Comrs, they may be accorded in the list of Amildars where they will continue to rise from Rs 200 to Rs 250 & also be given an allowance of Rs 50 for duty in the Excise Dept. The maximum salary under this arrangement will not exceed Rs 250+50, whereas an Asstt Comr rises up to Rs 450, and even to Rs 600 (as Senior Asstt Comr)

NOTE—Contn. sheet

Serial No.

The analogy of the medical dept, where not only civil surgeons, but also Asstt and even Sub Asstt Surgeons, are appointed as District Medical officers, is in favour of the course proposed.

The Committee have not stated definitely whether they accept the Excise Commr's objection to the abolition of the divisionary Inspectors. The point is therefore not noticed in the resp-

Circulated to Committee.

7-4-07

~~The Committee do not object to the proposal but suggest that the Excise Commissioner should be consulted~~ - I generally concur in the foregoing observations.

12/4/07

Rec'd 15/4/07

1348
16.4.07

I heartily fall in with the Committee's proposal that the Excise Divisional officers of the less important districts (Thana and Excise Supdt of New)

Note—Contn. sheet

Serial No.

should be of the grade of Land dars with an allowance of Rs 50.

I would invite attention to the suggestion in the Retrenchment Committee's file that some additional work be found for these lightly worked officers without however making them serve two masters

I am not quite in favor of the proposal to make the Office Assistant responsible for the working of the Distillery. The suggestion made in the 1st Councillor's marginal note has much to commend it. The Excise Commr might be in charge of the Distillery aided of course by his Office Assistant.

Subject to the above remark, the draft has my approval

W. H. Cummaglett
2d Councillor

16/4/07.

44468
29.4.07

16/4/1907

NOTE—Contn. sheet

1334

Gl625/1510

GENERAL AND REVENUE SECRETARIAT.

Council matter.

Subject.

Proposals for retrenchment of expenditure and improvement of Revenue in the Excise Department.

Circulated to Councillors.

By Order,

Secretary.

7th April 1907.

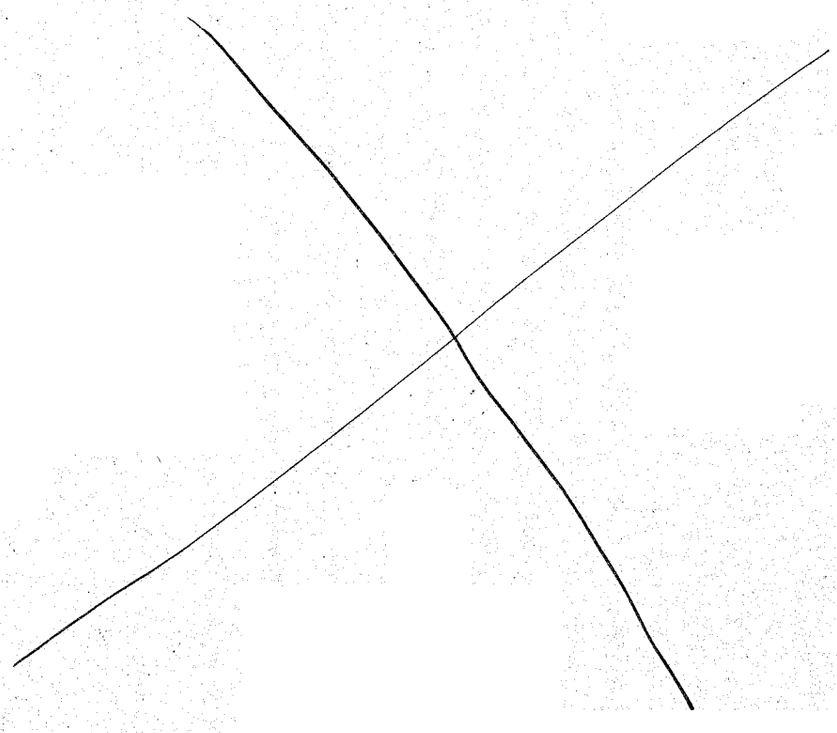
6/4/07

Anandacharlu Esq M.A.
First Councillor

K. P. Puttanna chetty Esq
Second Councillor

Sent by 2nd Communication - 16.4.07

Extract from the Proceedings of the 164th *Meeting of the Council of His Highness the Maharaja, held at* Bangalore *on the* 26th April *190*7.



III. (Clauses [illegible] and x of the Schedule).

Subject: - Proposals for retrenchment of expenditure and improvement of revenue in the Excise Department.

O P I N I O N.

For reasons set forth in detail in the reports of the Excise Commissioner and the Retrenchment Committee, the Council recommends, with effect from the official year 1907-8,

1) that the tree tax on date trees be raised from Re.1 to Re.1-4-0, and the tree tax on bagani trees from Re.1-8-0 to Re.2 per tree:

2)

2) that the separate levy of a local cess on tree tax be abolished, and the cess at present levied merged in the main item, the rates of tree tax on the various kinds of trees being as follows:

Date	Rs.	1-4-0
Jaggni	Rs.	2-0-0
Coconnut	Rs.	2-8-0
Palmyra	Rs.	1-0-0
Dadagal	Rs.	0-8-0

3) that the levy of a local cess on toddy shop rental be abolished;

4) that, in order to secure uniformity and simplification of accounts, the cess on tree rent be also merged in the main item itself, and the total amount of 0-4-0 per tree be credited to Provincial Revenues, 1/17ths of the total collection being credited to the Local Funds;

5) that 1/17ths of the tree tax and of the shop rental collected be likewise credited to Local Funds in lieu of the one anna cess on tree tax and shop rental; and

6) that the adjustment of the contribution to Local Funds as above be made quarterly by the Comptroller in communication with the Excise Commissioner and the Presidents of District Boar

The Excise Commissioner will be requested to take very early steps to submit the necessary draft notifications regarding the modifications required in the existing rules, and to give due publicity to the above changes before the annual leases of shops for the next year are sold.

2. The Excise Commissioner will be asked to submit in proper time proposals for securing greater control over the bonded warehouses and an also modifying the terms of contract for transporting arrack, so that the scheme, which is estimated to bring in a saving of Rs.15,000 may be introduced from the next official year (1907-8). It is not considered desirable however, to change the present system of getting arrack transported at Government cost.

3. The appointment of Deputy Excise Commissioner may be abolished on the retirement of the present incumbent, the question of appointing a specialist to take charge of the Distillery and Training class, to supervise the cultivation and preparation of ganja etc., and generally to advise on all technical questions connected with the working of the Department being reserved for separate consideration later on. Pending the appointment of a specialist, the Distillery may be placed directly under the charge of the Excise Commissioner, who will be assisted by his Head-quarter Assistant and the Excise Divisional Officer, Bangalore, and the supervision of the ganja plantations etc., may be entrusted to the District Excise officers of the locality.

4. The Council considers that the Deputy Commissioner should be primarily responsible for the Excise administration of the District, and that the Divisional Excise officer (who may in future be called the District Excise Officer) should be his Assistant in the Excise Department. They are disposed to agree that it may cause inconvenience at this stage, when the tree tax system has not been long in operation, to reduce the number of District Excise Officers, which has been temporarily fixed at eight in G.O.No.Fl.3732-3/3.M.61-05-3 dated

dated the 12th December 1905. But the Council are at the same time by no means convinced that these District Excise officers need in all cases be of the status and rank of Assistant Commissioners, or that officers of lower pay and of the status of Amildars will not suffice for dealing with the work, which is admittedly light in most Districts, and particularly so in those of Sukkur, Kedar, Hansan and Chitaldrug. The staff of District Excise officers may accordingly consist of 4 officers of the status of Assistant Commissioners and 4 of the status of Amildars, the latter being given an allowance of Rs.50 in addition to their grade pay as Amildars. By this arrangement there will be a saving of Rs.4,800 per annum as shown in the margin.

Pay of 4 officers of the grade of Asstt: Comsr: on a pay ranging between Rs.350 & 450 or on an average, Rs.350.	Rs. 1,400	per mensem.
Pay of 4 officers of the grade of Amildar on a pay ranging between Rs.150 and Rs.250 or on an average, Rs.200 plus an allowance of Rs.50.	Rs. 1,000	"
Difference.	400	"
Saving per annum.	Rs. 4,800	

5. The Excise Commissioner will be requested to reduce by absorption the establishment of the Deputy Excise Commissioner costing Rs.1,296 per annum, reduce the Accounts and Stores Branch of his own office to the minimum compatible with efficiency under the altered conditions of maintaining accounts directed in the recent Government Order of 14th December 1906, and submit at a very early date, proposals for re-organising the District clerical staff, by combining the Deputy Commissioner's and District Excise officer's establishments and placing the whole in charge of the District Excise officer as Assistant to the Deputy Commissioner in the Excise Department. In these ways a minimum saving of Rs.4,000 per

per annum is expected to accrue, and this will be taken into account in the budget for the ensuing year.

6. The house rent and the local allowance to the Kolar District Excise Officer (as well as that of his establishment) may be abolished with effect from 1st July 1907, simultaneously with the transfer of his head-quarters from the Gold Fields to Kolar, which is the necessary consequence of the re-arrangement of the District Excise staff as now recommended.

7. The supply of uniforms to the subordinate Excise staff may be limited to one suit per annum o r two suits every two years as in the Police and Forest Departments, and sandals substituted for boots, the annual allotment under "Uniform" being thereby reduced from Rs.12,000 to Rs.6,000

8. The temporary ganja establishment and the Kolar Patrol Party, costing Rs.2,016 per annum, may be dispensed with, with effect from the 1st July 1907.

9. The financial effects of the foregoing measures, are an improvement of the Revenue to the extent of Rs.20,000 and a reduction of the expenditure by Rs. 42,800 as shown below:-

Improvement of Revenue.	Rupees.
Enhancement of tree tax on date trees from Re.1 to Rs.1-4-0 and on Bagani trees from Rs.1-8-0 to Rs.2 per tree, the local cess on tree tax and shop rental being abolished.	20,000
Decrease of Expenditure.	
(a) Under remuneration to contractors for carrying liquor.	15,000
(b) Under Excise establishments -	
1) Abolition of the Dy.Excise Commissionership, Rs.800 x 12 . .	9,600

ii) Replacing 4 officers of the grade of Assistant Commissioners by an equal number of officers of the grade of Amildars with an allowance of Rs.50 per mensem. 4,800

iii) Reduction in the clerical staff in the office of the Excise Commissioner and the Districts after re-organization. 4,000

iv) Abolition of the local allowances to the Kolar Divisional officer and his establishment. 1,368

v) Reduction in the allotment on account of Uniforms. 6,000

vi) Abolition of the temporary Ganja establishment and Kolar Patrol Party, -

(c) Ganja.
Two Inspectors (25) and (20) } 70 x 12; 2,016
Horse allowance 2(10) }
Peons .....3(7) }

(d) Kolar Ganja Patrol Party.
1 Asstt: Inspector 35 }
Horse allowance 10 } . . . . 80 x 12;
6 peons, 2(8) & 4(7) }

62,800

10. The Council is, in conclusion, of opinion that the charge of the Prisons Department (of which the Offg: Senior surgeon urges the need of the medical department should be relieved) should be taken on to the Excise Commissioner and Inspector General of Registration, when next there is a change of incumbents, the pay of the combined appointments being limited to Rs.1,400 as at present. Now that the Excise Department has been thoroughly re-organized, and the tree tax system placed on a stable footing, and a regular body of Regulations and Rules has been passed for the administration of the Department, the duties of the Excise Commissioner are comparatively light, and he can well undertake the additional duties of Inspector General of Prisons.

Sd. V.P.Madhava Rao,
Dewan of Mysore.

"EXTRACT"

Secretary to Government.

Submitted to His Highness.

These papers relate to the proposals of the Retrenchment Committee for reduction of expenditure and the improvement of revenue in the Excise Department.

The appended draft order sets forth fully the Committee's proposals and the action proposed to be taken in each particular.

The financial effect of the proposed arrangements will be an improvement of the revenue to the extent of Rs.20,000 and a reduction in expenditure to the extent of Rs.42,800, or a net saving of Rs.62,800 per annum.

The Councillors generally approve of the proposals made and the draft may be approved.

In view of the urgency of the case I have directed the new rates be adopted with notification for 4 days sale for next year in anticipation of approval

6/7/20

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

7.5.07
849

Proposals for retrenchment of expenditure and improvement of revenue in the Excise Department.

Order.

848

844
23.4.5.07

This case has been treated in much detail by all concerned and we are, I consider, indebted to the Excise Commissioner for the spirit in which he has met the proposals of the Committee and the clearness and ability with which he has presented the case for his Department. I consider the proposals suitable and they are accordingly sanctioned, subject to the following remarks. The reason for the removal of the Asst Commissioner's head quarters from the K.G.F. to Kolar is nowhere, so far as I can see, clearly explained in the papers. Presumably there were good reasons for locating him on the field, and ,in view of the importance of the field , from an excise point of view. the expediency of altering the present arrangement in order to effect a saving of Rs1300 odd . seems open to question.

Before orders issue I should like this point cleared up.

The Dewan's action in publishing the notification of excise sales in anticipation of sanction is approved.

KRW
21/5/07

Aslam
22/5/07

Serial No.

Br II (Excise)

Let me have an handy statement giving particulars relating to the point noticed in H.S. the Maharaja's note (location of the Assistant Commr on the N.E. Field) The clerk may keep up the file until the Asstt Secy requires to have it back - L
15.5.07

Submitted to Secy

The necessity for the retransfer of the HQ Qrs of the Excise Asstt Commr from Rolencompel to Kolar is fully explained in the Kolar Dy. Commrs letter No. C 572 of 26.6.06 to the Excise Commr. The correspondence relating to the transfer of HQ Qrs to Rolencompel in 1901 is also put up.

Time 27.5.07. 27.5.7

The Excise divisional office was located on the Kolar Field since Feby 1905, partly because, as an important centre of the point of excise revenue, the locality requires close supervision, and partly

Note.—Contn. sheet

GPB—50,000—25-2-07

Serial No.

because the then Excise Asst Com'r in Dharwar could not secure a proper house to live in at Kolar.

His arrangement has since been found by experience to be very inconvenient and prejudicial both to the interests of the public and of the District Excise Administration, & to be productive of delays in the disposal of business. There is no longer any necessity for the District Excise Officer, who has the work of the whole district to attend to, being located on the field, (which is not centrally situated) that there is a highly paid & responsible Excise Inspector on the field whose duty is to attend specially to the work of the circle. Another, though subordinate, reason for the proposed change is the fact that the Excise Asst Com'r will have to be in charge of the entire District Excise Staff formed by combining his own establishment with that of the Excise Com'r.

These are the various reasons which render a change of head quarters to Kolar desirable in public interests.

27-5-07

To Secretariat 1 Dy & 2 Cs

I concur 31 May 07

C 426(2) 27-5-07

4999 1-6-07

NOTE—Contn. sheet

Submitted to His Highness.

With reference to the enquiry made in His Highness' Order dated the 21st May 1907, regarding the proposed change of head-quarters of the Excise Assistant Commissioner, from the Gold Fields to Kolar, I beg to solicit attention to the Secretary's note explaining the reasons for the change. A reference may also be made to the Kolar Deputy Commissioner's letter No.C.572 dated 26th June 1906.

1/07/1907

Record of Cases submitted for the Orders of His Highness the Maharaja.

1.6.07
925

Subject.

Furnishing information as regards the enquiry relating to the removal of the Head quarters of the Excise Assistant Commissione from Kolar Gold Fields to Kolar.

Order.

In view of the information now given the proposal is approved.

K.R.M.S
4/6/07

Rep. submitted to HC Commissioner for Appl before issue. 4/6/07

Appd

General and Revenue Secretariat.

File No. 145 of 1906

Serial No.

Read.

The draft seems to require slight modification as indicated therein in pencil

Issue with the alterations approved by this Secy.

13-6-7

To The Excise Comr
The Controller
The Collectors of Dists
Dy. Collectors and
Dy. Collectors.

No. R 243-54, dt 145-06 & dt 15/6/07

Passed orders on the proceedings of the retrenchment Committee for the improvement of revenue & curtailment of expenditure in the Excise Department.

Seen
15/6/07

NOTE—Contn. sheet

GPB—10,000—18-1-07

G.R.S. 26]

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File No. 280-04

Serial No 14

Diary No. of letter replied to _____

No. H2641

General and Rev. Secretariat

( )

, the 26-10-1905.

To

The Excise Commissioner.

Sir,

In forwarding herewith an extract (para 21) from the Comptroller's Review of the Purport of Revenue and Expenditure of Mysore from 1894-95 to 1903-04 I am directed to request you to favor Government with your opinion on the criticism therein made.

2. As the matter is urgent you are requested to give it your early attention and forward your reply within a week.

I have &c.

24.10.1905

Secretary

Date of issue No

Signed by M Sabyasachi Chetty

2/24-10-05 over.

SUBJECT.

5 (31)

D. 247

No. 297 OFFICE OF THE EXCISE COMMISSIONER IN MYSORE.

DATED BANGALORE, 14th December 1905.

From

P. N. Purnaiya Esq. B.A.

Excise Commissioner in Mysore.

To

B. K. Venkatavaradengar Esq.

Secretary to the Government of His Highness the Maharaja of Mysore,

General and Revenue Departments.

Sir,

I Adverting to your letter No H 2641 / G1 H 280-04-4 dated 26th October last anent the suggestion of the Comptroller to add the cost of carrying liquor from Distillery to Bonded Depot, to the price of liquor to be recovered from the retail Licensees, I have the honour to state that this cannot be done this year as under the terms of the sal -Notification, the Licensee has to pay only the pri of liquor.

2. The Comptroller says that he "cannot trac any item like remuneration to Contractors for Carrying liquor from Distillery to Bonded Depots in the British Indian Accounts." In the Madras Presidency and I belie in other Provinces also the retail vendor obtains

obtains liquor from the Manufacturer either in the Distillery or in the Warehouses or Wholesale Depots and if he gets his Supply in the Warehouses or Wholesale Depots, the price charged is much higher than in the Distillery. It apparently includes the cost of transport as also some profit to the Licensee of the Warehouse or Wholesale Depot. We cannot introduce this arrangement till the expiry of the present Carrying agency Contract which is current till the end of June 1907. This has been renewed for another 3 years viz till 30-6-1910.

Where will the price [illegible]

3. As regards the query whether the Cartage of liquor should not be added to the price of liquor to be recovered, I beg to Submit that the measure may lead to prejudicially affect Shop rental. The gross profit to the Shopkeeper or holder of retail License is Rs 1-1-6 per gallon of 20° U.P. as shown in the margin, and out of this we are getting back about u-15-5 in the Shape of Shop-rental. The net profit left to the retail vendor is u-2-1 and does not enable him to pay the Cartage. By adding the Cartage which at present is u-2-9 per gallon to the price of liquor to be recovered from the Licensees we will not only be losing

Retail price per gallon 20° U.P.	6-6-[illegible]
Deduct	
Price of liquor	u-8-[illegible]
Duty	4-12-[illegible]
Total	5-4-[illegible]
Profit	1-1-6
Deduct Shop rental - which in effect is a rebate or return of the margin of profit above shown - on the gallon	u-15-[illegible]
Nett Profit	u-2-1
Deduct Cartage per gallon	u-2-9
Nett result minus	8 Pies

So much or even more in the Shop-rental which the purchaser will cut down, but we will only be leaving to the Retailer instead of a profit a minus result as worked on the margin. Besides what will be so withheld is an item of speculation.

4. I would therefore suggest the continuance of the present arrangement, at all events till such time as when we can raise the retail price of liquor safely in the principal centres of industry where we find the rate of wages sufficiently high.

I have the honour to be,

Sir,

Your most obedient Servant

H. Hunter

Excise Commissioner in Mysore

Ist

1905—1906.

From

P. N. Purnaiya Esq. B.A

Excise Commissioner,

in Mysore.

To B. K. Venkataravadeigar Esq

Secretary to the Government of

His Highness the Maharaja of Mysore,

General and Revenue Departments.

Dated 4th December 1905

Despatched

Received

No. 297

Enclosure No.

SUBJECT.

Pointing out, with reference to Secretary's No H 2641 / G:H:280-04-4 dated 26th October last, the disadvantage of adding the Cost of Carrying liquor from the Distillery to the Border Depots to the price of liquor to be recovered from the retail Licensees.

8-no-1

12

From The Secretary Bangalore,

Retrenchment-Committee August 1906

P. No. 13.
R. 28/8

To,

The Excise Commissioner in Mysore.

Sir,

I am directed to forward for your information an extract of paras 19 to 21 from the Comptroller's review of the Progress of Revenue and Expenditire for the period 1894-95 to 1903-1904', wherein he observes that the increase of expenditure during the decade has been very large viz., 89 per cent as against an increase of only 16 per cent in Revenue.

2. On a comparison of the Excise Revenue and expenditure of Madras during the said period it is found that the increase in the per centage of Revenue expended towards the cost of collection, has been very rapid in Mysore viz., from 6 per cent in 1894-95 to 9

D M) Madras - Exposition -
94-95 — 903-04
5/95: 8 — 4/03: 9

per cent in 1904-5 and that some appreciable reduction in the recurring expenditure of the department should be effected in the interests of general service. The Committee as at present advised, are of opinion that the cost of supervision etc, can without sacrifice of departmental efficiency or loss of revenue, be reduced annually by about Rs.45,000, with a corresponding saving to Government.

3. I am therefore desired to enclose copy of an office-note explaining the possibility of, and grounds for justification for, a reduction in the present cost of the Department, and to state that the Committee will be highly thankful if you will kindly consider the feasibility of the suggestions made in the accompanying memorandum and favour them with your opinion with specific proposals for carrying out suitable retrenchments in the Excise Department.

4. In regard to the proposal of the Comptroller to add cartage of liquor to the price of liquor to be recovered - a proposal made from an account point of view, - the Committee have had the pleasure of seeing your letter addressed to the Secretary to Government, General and Revenue Deptt: No.297 of December last; but they believe that no apprehension need be entertained of a fall in the net revenues if the change advocated be brought into force under the existing state of things.

5. I am to request that the matter may be kindly treated as urgent and to add that the Committee will be glad to discuss with you the several points on a convenient date, if you should think that a correct and satisfactory decision can be so arrived at.

Secretary,
Retrenchment Committee.

Fair draft.

Note on Excise. - IV and 4.

In paras 19 to 21 of his review the Comptroller observes that the increase in the Excise Revenue during the past decade ending with 1903-04 has been about 16 per cent in Mysore whereas the corresponding increase in the Madras Presidency has been no less than 30 per cent. Though the Revenue realized per 1,000 of population in Madras is about 460, and that in Mysore is about 683 or in other words, the incidence of taxation is half as much again here as compared with Madras, the increase in expenditure is stated to have been very large, being about 89 per cent, while the similar increase in Madras was only 61 per cent. He adds that the head 'other items' comprising chiefly the travelling expenses and the cost of uniform requires special notice.

As regards the charge under 'cartage of liquor' the Comptr says that he cannot trace any item like "remuneration to contractors for carrying liquor from distillery to bonded depots" in the British Indian accounts, that the item really forms part of the cost to Government of placing the liquor in the depot and that the amount expended as such should be added to the price of liquor to be recovered.

2. The Excise Commissioner, whose opinion was invited with reference to the last point alone, states in reply that the system obtaining in Madras and other places in British India by means of which arrack is supplied from the distilleries to retail vendors is different from that in Mysore and that the present system cannot be changed at all or in any case, till after the expiry of the existing contract which is current up to the end of June 1907. He apprehends that the proposal of the Comptroller to add the cost of 'cartage of liquor' to the price of liquor may lead to prejudicially affect shop rental.

With

With retail price of arrack per gallon of 20 u.p. at Rs 6.6.0, duty at Rs.4.12.0 and the contract price of liquor payable to the manufacturer at Rs0.8.6, he argues that the margin of profit to the retailer is only Rs1.1.6 per gallon. Out of this profit of 1.1.6 the vendor must pay the shop rental, which the Excise Commr: calculates at 0.15.5 per gallon, so that the net profit allowed to him is barely 0-2-1. And since the contracted rate of cartage per gallon is 0-2-9, the purchaser can only be made to pay it with a loss of about 8 pies per gallon.

duty 4-12-0
Price of arrack } 0-8-6
5-4-6.
Retail price of arrack } 6.6.0
Deduct 5-4-6
Margin of profit 1-1-6.
Consumption about 367,000 gls.
Annual shop rental for Vending arrack Rs. 356,000
Approximately 0-15-5 per gallon.

Both in the interests of Government and also of the licensee the Excise Commissioner therefore suggests the continuance of the present arrangements at all events till such time as when the retail price of arrack can safely be raised in the principal centres of industry where the rate of wages is found to be sufficiently high.

3. The first point for consideration is whether the growth of the Excise Revenue has been well maintained during the past decade in Mysore, as compared with that in British Provinces. The chief items comprising Excise Revenue here are, duty and vend fees under arrack and vend fees and tree tax under toddy both of which broadly speaking comprise about 97(50 per cent arrack and 47 per cent toddy) per cent of the total revenues, the other items namely, beer, ganja and opium &c, covering only a very small amount of revenue about 3 per cent. In Madras[x] the revenue from toddy bears pretty much the same proportion of the total Excise Revenue as here and since the introduction of the tree tax system in 1887 the revenue from toddy has been advancing at a more rapid rate than that from arrack. Bombay and Bengal produce a certain amount of revenue from toddy but that is comparatively very insignificant being about 10 and 7 per cent, of the total revenues. Though as observed by the Comptroller the growth of Excise Revenue here has been much less than in Madras, our Province is not behind

[x] For 1903-4
Toddy Rev: 88 lakhs.
Total Ex. Rev: 177 "

[x] For 1903-4

	Total Excise.	Toddy.
Bombay	120 lks.	12½ lks.
Bengal.	163 -	11.

Bombay

Bombay where also the increase during the decade is found to be about 16 per cent. But inasmuch as the conditions of Bombay in regard to the realization of toddy revenue are presumed to be materially different and as the tree tax system introduced here in 1896-97 was based entirely on that in Madras, comparison with any Province other than Madras does not appear to be of material help.

4. It would be interesting to trace the growth of Excise Revenue and expenditure in Mysore from the time of the Rendition viz., 1881-82 up to the present time and to note the several important changes that the administration of the Department (vide statement No.1) has undergone.

The Excise Revenue which had been a little more than 12 lakhs per annum before the famine of 1876-77 and has been much affected since then, almost regained its lost position after the Rendition and continued to be at about the same figure viz., 12 lakhs till 1883-84. In the next year i.e. in 1884-85 the revenues of the C. and M. Station were separated from those of the Mysore State, but fortunately with the advance of the general prosperity of the State the Revenue from Excise also advanced, so that it was maintained at about the same amount viz., 12 lakhs till 1886-87. Up to that year the Revenue under toddy bore a pretty larger proportion of the total revenues than that from arrack, except in the first triennium (viz, 1881-82 to 1883-84), when the revenues of the Civil and Military Station consisting mainly of arrack turned the scale. From the year 1887-88 and onwards both the arrack and toddy revenues were given a great impetus by the adoption of an improved system of centralized control, the supersession of illicit distillation and mainly by the large influx of labourers, earning high wages, for employment on the Railway, upon the Gold Mines and the rapidly expanding ordinary Public Works. The Revenue under arrack shot ahead of that from toddy, and the total revenue was slightly less than 15 lakhs for 1887-88 and was 16 in 1888-89. In June 1889, the retail price of arrack

was

was slightly enhanced, to check the increasing consumption, from Rs.5 to Rs.5-5-0 per gallon of 20 u.p., the standard dram of 1,600 ~~xxxxxxx~~ minims being reduced to one of 1,500. The Excise Revenue nevertheless continued to increase and when in 1890-91 the District farming was replaced by Taluk farming, the revenue from toddy increased by more than 2 lakhs in a single year. Thus the total Excise Revenue was 20½ lakhs in 1890-91 - an increase of over 100 per cent in 10 years. In the next year viz, 1891-92 material changes were introduced in the administration of both toddy and Excise Revenues, which resulted in the increase of the revenue without raising the selling price of either arrack or toddy. These changes are best described by the authors themselves as follows:-

Under the old system which was in force up to 31st March 1892 the contract of both the manufacture and wholesale vend of arrack &c, was given to one person, and it was concluded that it necessarily worked to the prejudice of the Excise Revenue. Accordingly the right of manufacturing arrack was separated from that of distributing, the system of wholesale vend was replaced by that of vend rent circles or farms and of separate shops in industrial centres such as the towns of Bangalore, Mysore and Kolar Gold Fields, and a Government contractor was appointed to carry arrack at specified rates from the distillery to convenient places called bonded depots wherefrom the vend farmers and separate shop-keepers should get their supply.

The rate of duty was also raised from Rs.3-10-2 to Rs.4 and 3-14-0 per gallon of 20 u.p. for Maidan and Malnad Taluks respectively.

In regard to toddy the system in vogue up to 31st March 1892 was to dispose of the monopoly of the vend of date toddy by Districts or Taluks, either by tender or by sale at auction. This system was supplanted from 1st April 1892 by the introduction of a n e w vend rent scheme under which the exclusive privilege of selling toddy was disposed of by sale

by

specified classes or groups. Since these changes were introduced on 1st April 1892, their full effect was not realized till the next official year viz., 1892-93 when the revenue reached the very high figure of 30¼ lakhs - an increase of 50 per cent in two years.

An attempt is made to attribute this remarkable increase of about 10 lakhs to the several causes, analytically, in the appended statement No.2. It will be seen that the increase under toddy viz., 4 lakhs is chiefly due to the improved management by which the profits which were intercepted by the middlemen were secured to Government, while that under arrack viz., 6½ lakhs may be accounted for as due firstly to enhancement of duty viz., from Rs.3-10-2 to Rs.4 (about 1¼ lakhs), secondly, to increase in consumption (about 1¾ lakhs), and thirdly to recovery of arrears under the old system (about 1½ lakhs) and fourthly to the introduction of vend rent and separate shop systems and miscellaneous causes.

Thus the total Excise Revenue which was not much above 10 lakhs in 1881-82 (Arrack -4¼, toddy - 5) rose to 30¼ lakhs in 1892-93 (arrack 16½, toddy 13¼), the increase under arrack being about 12 lakhs and that under toddy 8. A lucid and authoritative exposition of this remarkable growth in Excise Revenue is given in the Dewan's address for 1894 (pp.10-13). The total revenue in 1893-94 was pretty much at the same figure viz., 30 lakhs and since then with occasional fluctuations and set back the revenue has been steadily on the increase, the figure for 1904-5 being a little more than 38 lakhs. The only changes of importance effected since were those in 1897-98 viz., the enhancement of duty from Rs.4 to 4-12-0 per gallon of 20 u.p. and of the retail price of arrack from Rs.5-5-0 to 6-6-0, allowing a higher margin of profit to the retail vendor and also the introduction of the tree tax system in its entirety, which allowed a greater conservancy of tiddy trees &c, and the beneficial effects of which were fully felt only after 1899-00. It will thus be seen from this rapid survey that the course of revenue except in the year of plague when there was

slight set-back, has been on the whole very satisfactory.

In consideration however of the fact that consumption of arrack has again been increasing since 1901-2 at a very rapid rate viz., 20 per cent in three years (vide statement No. 3) it is a question for consideration whether in the interests of the consumer the duty on arrack and the retail price thereof may not be increased to Rs.5 and Rs.7-7-0 per gallon of 20 u.p. It must be conceded that the present rates are sufficiently high, but the drinking population is chiefly confined to such trading and industrial centres as Bangalore and Mysore cities and the Kolar Gold Fields, the consumption in these three centres being slightly less than one-half of the total for the Province.

There are also reasons to think that a slight increase in the tree tax of date trees viz., from 1 rupee to 1/8 as in Madras will have a beneficial effect on the whole. These are questions of some importance and they are only hinted at here; the Excise Commissioner may be consulted on these points.

5. The course of expenditure must necessarily follow that of revenue. Increase in establishment is certainly necessary to detect and prevent illicit distillation, illicit tapping &c, in proportion to the greater inducements for those malpractices by enhancement of duty, and other remedial measures adopted by Government both in the interests of the consumer and Government revenue.

Having been only at about Rs.16,000 per annum prior to 1886-87, the cost of collection &c, slightly rose with the increase of revenue and was a little more than half a lakh during the next two years viz, 1889-90 and 1890-91. In the next year namely 1891-92 (consisting of 15 months) the total expenditure was more than a lakh. During 1892-93 the amount expended was so high as 1,86,000 of which, about 81,000 comprised the remuneration to Government contractors for carrying

liquor

liquor from distillery to bonded depots, which system was then introduced for the first time. The next increase in expenditure was in 1897-98, about 50,000 owing apparently to the introduction of the tree tax system in vogue in Madras, and latterly the growth in expenditure is accounted for by the revision of establishment, increase in the number of Divisional officers, and their travelling expenses, &c.

Thus it may, with ~~max~~ plausible reasons, be urged, that the increase of expenditure at every step has been more or less necessitated by the growing needs of the Department and in the interest of Government Revenue; and that, though the proportion of the growth of the cost of collection is observed to be pretty high viz., 89 per cent during the decade, the absolute amount of increase viz., 1½ lakhs is not much when compared with the increase in revenue during the same period, viz 5¼ lakhs of 16 per cent (vide margin).

It will however be seen that the proportion of revenue expended ~~xxxxx~~ towards the cost of collection, supervision, &c, was not quite 6 per cent in 1894-95, but that it rose to about 9 p.c., in the course of 10 years. In Madras the proportion of expenditure to revenue was only 6 per cent for the last year of the decade under review viz., 1903-4 and the incidence of taxation was, as already stated much smaller than in Mysore. In effecting a comparison with Madras it must not be lost sight of that a combined establishment for the collection and management of revenue under salt, Excise and to a certain extent, customs is maintained, that certain proportions of the total cost are debited to each of the 3 heads, a n d therefore some economy is possibly secured by that arrangement. The portion of the total cost debitable to Excise is only 40 per cent, the major portion being charged to 'salt'.

7. After making due allowances for this distinguishing feature between the establishments of Madras and Mysore, it still appears that our establishment is more costly than that

of

of Madras and since it is urged that our Excise Revenue has almost reached its maximum and that the expenditure on the other hand has been increasing at a very rapid rate, there is no reason why an appreciable reduction in the recurring expenditure of the Department should not be made both in the interests of the State and of the general tax-payer, if it can be done without sacrifice of efficiency.

From appended statement No.4 it will be observed that both in regard to the executive force and the higher supervising officers the numerical strength in this Province is disproportionately high as compared with that in Madras. Both the Salt and Excise Revenue of Madras amounting to more than 3½ crores in an area 5½ times Mysore, are administered by a superior staff of officers consisting of a Commissioner, assisted by a Secretary, and 4 Deputy Commissioners and 23 District Collectors with 12 Special Divisional Assistant Commissioners while the executive force is made up of 82 Inspectors, 122 Assistant and 900 Sub Inspectors with the necessary menial establishment. We have at present in Mysore besides the corres-ponding headquarter staff one whole time Deputy Excise Commissioner, 8 Special Divisional officers to assist the 8 Deputy Commissioners in Excise work, 49 Inspectors, 120 Assistant Inspectors, 118 Sub Inspectors and a large menial establishment, besides a separate staff for purely distillery and ganja work.

The disproportion between the number of divisional officers and Inspectors here and that in Madras is no doubt striking. On the other hand it is to be equally admitted that there are large differences between the amounts of pay drawn by the corresponding officers in the two places. For the pay of the first grade Inspector in Madras is Rs.400 while that here is only Rs.150. But the difference of pay between the several officers of Madras from the corresponding men here is not peculiar to the Excise Department, and should not therefore be taken into account. If however it should be held that comparis

with such a big presidency as Madras as a whole is unfair, we may take as a safer guide the five thinly populated districts of Madras, viz., Nellore, Cudappah, Anantapur, Bellary and Kurnool which border on Mysore and comprise about 36,000 sq: miles (including reserved forests viz., 7,000 sq:miles approximately) and a population, a little less than Mysore.The administration of Land Revenue of these five districts (which was more than 105 lakhs in 1901 and about the same as in Mysore) is controlled by five Collectors and 18 Divisional officers, while that of the Excise, generally by the 5 Collectors and by 2 or at any rate not more than 3 Special Divisional Officers who have both Salt and Excise jurisdiction. The supervision at headquarters is conducted by a member of the Board of Revenue assisted by only 1 Deputy Commissioner for Abkari for the whole Presidency. It seems therefore possible that in the absence of strong reasons to the contrary, some reduction in the number of superior officers of the Department can safely be effected in either of two following ways:-

i. If on other considerations it should be decided that the number of Land Revenue Districts or Sub Divisions cannot with propriety be reduced then, there is no reason why the Divisional Revenue officers with jurisdiction over 3 or 4 Taluks should not be also required to supervise the Excise administration. A certain amount of special training is all that is required. The several Deputy Commissioners will exercise as heretofore general supervision over their subordinates and the Excise Commissioner and his Deputy, if the latter is considered absolutely necessary, will specially safeguard the interests of the Department as a whole, and exercise a valuable and salutary check by their frequent inspection tours.

This question of investing the Revenue Assistants with Excise functions has, it is presumed, been discussed on more than one occasion, and decided too, as being inexpedient, so recently as 2 or 3 years ago. The papers recorded in that connection will certainly throw light as to the main grounds on which the change of system here proposed was not then accepted

But it may here be pointed out that what is required of supervising officers is frequent inspection of shops and groves, and an officer with a smaller area to travel and frequent opportunities to visit the several places in his Division will be better able to do justice to the work and to command in a greater degree the fear of chance or surprise visits and inspections than a Divisional Excise Assistant as at present constituted. If it be conceded that the supervision of both the Land Revenue and Excise Administrations of 2 or 3 Taluks is not much more than what could reasonably be expected from an officer of average abilities then the abolition of all the Divisional Assistants for purely Excise work is necessary in the interests of sound economy. Under the new arrangement the Deputy Commissioners as the sole District appellate authority will have greater responsibilities and exercise greater supervision than hitherto. In any case, this arrangement does not, for obvious reasons, appear to be quite the same which existed prior to 1894-95 when one of the Assistant Commissioners was nominated by each Deputy Commissioner for Excise work in his District and which was subsequently gradually replaced by the present separation of Revenue and Excise functions.

ii. Secondly, if it be held that the above proposal is too radical a change and is fraught with inconvenience, and that separation of Revenue and Excise jurisdictions secures on the whole greater efficiency, then it may be possible to divide the Province into 3 or only 4 Divisions (as existed prior to 1901-2) under ~~the~~ wholetime Excise Assistants and to abolish the post of the Dy.Excise Commissioner, which post appears to have been created in 1896-97 to suitably recognize the services of the present incumbent, who had been merely Assistant to the Excise Commr: in previous years. The several changes effected in the Excise establishments are detailed in an appended statement 5.

The minimum amount of saving that would accrue in either case would be approximately as follows:-

i. (a)	8 Excise Divisional Officers at Rs.250 - 2,000X12	24,000

		24,000
(b)	Local allowance and house rent to Assistant Commissioner, Kolar.	1,200
(c)	Dy.Excise Commissioner - 800X12	9,600
	Establishment.	1,300
(d)	Menial establishment of 8 Divisional Officers.	3,400

No saving can be anticipated in regard to the clerical establishment, which will possibly have to be distributed among heavy Divisions.

	Total.	39,500
(e)	Travelling allowance to officers, roughly -	6,500
		46,000

ii.	(a)	Dy.Excise Commr: 800X12	9,600
	(b)	Establishment.	1,300
	(c)	4 Divisional officers 250X4	12,000
	(d)	Local and house rent to Asstt: Commissioner, Kolar.	1,200
	(e)	20 peons attached to Divisional officers. 20X8X12	1,900
	(f)	Travelling allowance to officers.	3,500
		Total.	29,500

8. The menial establishment of the Excise Commissioner's office consisting of 19 peons appears also to be very much more than what should properly be allowed according to a fair standard and may be reduced by 5, with a corresponding saving (35X12 = 420) of about Rs.400.

The

46,000
420
2,400
48,820

29,500
420
2,400
32,320

The temporary establishment of the Deputy Commissioners consisting of 7 clerks and ~~x~~ 17 peons may also be done away with, without sacrifice of efficiency, and the savings to accrue will be Rs.2,400 on this account. Thus the total amount of reduction that might be effedted in the recurring cost of supervision would be about Rs. 49,000 if the first alternative is accepted and should not be less than Rs.32,000 per annum in any case.

9. In regard to the executive force it may be pointed out that if a comparison of the strength of the force for each District, and of the number of arrack and toddy shops &c, in Mysore, with those in Madras, area for area, be made, there is no reason apparent why an appreciable reduction in the establishment as well should not be made. On the other hand, it may be argued that the present strength was re-organized so recently as 1903-4, and that with the reduction in the number of Divisional officers it may not be safe to lessen the number of Inspectors or Assistant Inspectors &c. In any case, the abolition of the 6 probationary Inspectors at Rs.35 recently created, and of 50 peons, (only one peon being allowed to an Inspector in stead of 2 as at present) with a saving of about Rs.6,000 per annum is herein proposed.

9a. Now that the working of the Department is more or less systematized, it is a question for consideration whether the method of biennial or triennial leases of arrack and toddy and other shops may not again be adopted, with advantage both to the Government and the retail vendor. Such a procedure is believed to lessen the work of the Department to a material extent and an appreciable reduction in the strength of the subordinate executive staff may easily be effected. The attention of the Excise Commissioner is drawn to this aspect of the case and he is requested to give his opinion if under some such arrangement any material saving is feasible, without sacrifice of efficiency.

10. As regards cost of travelling allowances and of uniform which, the Comptroller says requires special notice i t

may be stated that, according to the latest estimates the figures under these two heads are Rs.50,000 and 12,000 respectively as against a total estimated expenditure under Excise - 3,46,000 while the corresponding figures for Madras are 1,40,000, 40,000 and 27 lakhs. The difference in proportion as noted in the margin is no doubt striking, but the Committee are not disposed to press the point at present, for various considerations such as the pay of the several officers the frequency and rapidity of journeys, climatic and other conditions have to be given due weight. The main portion of the charge under travelling allowances comprises fixed allowances granted to Inspectors and Assistant Inspectors of Rs.20 and 10 per mensem respectively (besides special allowances of Rs.25 and 15 to the Distillery staff) and may not in fairness to those required to maintain conveyances be reduced. But if the above proposal regarding the reduction in the number of Divisional officers is accepted some appreciable reduction in the travelling allowances of officers will, as stated above be certainly secured.

	Travelling allowances. 000	Uniform. 000	Total. 000
Madras.	1,40	40	27,00
Percentage of Total cost.	5	2	100
Mysore.	50	12	3,46
Percentage of Total cost.	14.	3½	100

On the other hand, the allotment of Rs.12,000 per annum for uniform for the executive force consisting of 43 office sub inspectors, 75 examiners and of about 550 menials appears to be unduly high (Rs.20 per head) and capable of material reduction. Under the existing rules the Sub Inspectors and menials are to be supplied ~~xxxxxkkkxxx~~ annually with two suits of clothes and one pair of boots each. There is no reason apparent why as in the Police or the Forest Department the grant should not be limited to one suit per annum or two suits biennially. Boots are a luxury

and

and often times an encumberance to peons and may be replaced by sandals &c, which are far cheaper. It is true that tree markers and others have to walk in thorny groves and that they should have some protection for their feet and legs. But this need not be more expensive or luxurious than what they would provide themselves with for similar work if it were undertaken outside Government employ. In any case,, articles far cheaper than 3 to 4 Rupees per pair may be very conveniently procured for menials with a material saving to Government. If the above proposal is accepted, the resulting saving will according to the details given in last year's bill, be about Rs.4,000 (vide margin)

Dress &c. 5,000/2		2,500	out of a total expenditure of about Rs.9,000. On the whole, the benefit to the finances of the State will, it is expected be more than Rs.6,000 in
Boots for 550 menials and peons at 3-14-0	2,100		
Deduct amount allowed for sandals &c, at 1 Rupee each.	600		
		1,500	
		4,000	

the budgetted allotment of Rs.12,000.

11. The last point urged by the Comptroller and to which the Excise Commissioner has demurred is that the 'Remuneration to the contractors for carrying liquor from distillery to bonded depots' should not be finally charged as expenditure under service heads, but should be shown under debt heads in the same way as advances to manufacturers on account of the price of arrack and should be adjusted by recovery of the cost at the contract rate from the arrack vendors. No savings will, of course, be effected by adopting the suggested course, because with the decrease in the amount of service expenditure, a certain amount of reduction in the revenues also should be anticipated, other things being equal. But the great advantage that will be thus secured is that the exaggeration of State revenue and

service

service expenditure will be avoided. In more than one connection the Comptroller it is believed, has insisted on the strict observance of this sound financial rule and since the total amount thus expended is on the average about ½ a lakh and forms 1/6 or 1/7 of the total charges, the arguments of the Comptroller have very great force. It is on these considerations that the proposal of the Excise Commissioner to debit to service heads the advances made to manufacturers towards the price of arrack and credit recoveries as revenue under 'price of liquor' was not accepted.

12. As already stated this system of remuneration was brought into force in the early nineties and has been in vogue for more than 14 years; and the Excise Commissioner therefore entertains a doubt that the revenue under shop rental might be materially affected by adopting such a course Taking the consumption of arrack and the shop rental for 1904-5 at 367,000 gallons and Rs.3,56,000 respectively, the Excise Commissioner has worked out a rebate of 0-15-5 to be payable by the retail vendor with a possible loss of 8 pies per gallon to the latter in the event of his having to pay the cartage of liquor also. But it may here be observed that the cost of carriage of arrack to Bangalore city depots is only 5 pies per gallon and that the consumption of the city is about 1/5 or 1/6 of the whole Province. Then again in such towns as Kolar Gold Fields and to a smaller extent in the Mysore City the total amount of consumption and the total amount of shop rental on which rebate should be calculated are quite different from what they are in the other parts of the Province. Vide statement No.6. It will thus be seen that, if the figures for Bangalore City viz., consumption of 63,000 gallons and the approximate shop rental viz., 36,000 be eliminated, the rebate payable by the vendor on account of shop rental will come to about Re.1-1-0 as follows:-

Total consumption of the Province except Bangalore City

City. 300 gallons.

Shop rental. Rs.320,000. - per gallon 1-1-1.

Strictly speaking the margin of profit allowed to the moffusil arrack vendor to pay the shop rental (viz., 1-1-6) is just enough to cover up the latter and cannot possibly afford him any profit at all. The argument of averages of different places seems therefore to be not of much help. The amount of shop rental in each place is solely guided by the expected quantity of consumption of the place. On the other hand there is no doubt of the fact that a certain amount of decrease in the revenue from shop rental will necessarily happen corresponding to the decrease in service expenditure if it be granted that consumption does not materially increase or that the retail price of arrack be not enhanced. For on payment of carta-ge in addition to contract price of arrack the arrack vendor has a smaller margin of profit namely 1-1-1 in Bangalore City and 14 as. 9 ps., in other parts as against 1-1-6 at present, out of which he has to pay up the contracted shop rental. In any case there is no reason why the net revenues should be affected at all.

13. Up to the year 1896-97 when the duty and retail price of arrack was raised from 4 to Rs.4-12 and 5-5-0 to 6-6-0 respectively per gallon of 20 u.p., in order to check the rapid growth of consumption, the margin of profit to the retail vendor had been (a) 0-10-6 per gallon and in 1897-98 it was raised to (b) 1-3-8 till 1900-1 as worked in the margin. In the next year viz., 1901-2 the contract price of arrack again rose from 0-6-4 to 8½ annas per gallon and the margin of profit accordingly fell to 1-1-6. In spite of the advantage that the retail vendor, of the Bangalore District, (except the City) and of the Province generally, obtained under the new contract (viz., of being relieved of carrying arrack at his own cost or of the cost of maintaining bonded depots respectively) the increase in

the

the contracted price of arrack has affected very much the shop rental. For the consumption in both the years 1900-1 and 1901-2 was almost the same viz., 300,000 gallons and the shop rental which was 3,80,000 in the first year fell to 3,20,000 in the second, while the proportionate decrease should be much less than 30 to 40,000, (vide statement No.3) There is therefore as much reason in finally charging off the cost price of arrack (to State revenue) from the variation in which the shop rental has been so materially affected as in the case of 'cartage of liquor'. As stated above such a proposal was actually made by the Excise Commissioner but was not accepted by the Government on the advice of the Comptroller. On the other hand, in consideration of the rapid rate of increase of consumption since 1902-3 (about 20 p.c. in three years) it seems reasonable to infer that the short lowering of the margin of profit by 2 as. 9 ps., will not materially affect the shop rental, or the total net revenue under arrack.

The question is one of principle and no valid objections can be found to adopting the suggested course even without raising the retail price of arrack and thereby allowing a higher margin of profit to the retail vendor than at present. For the advisability of raising the retail price of arrack and the present margin of profit of the retailer is to be decided on considerations, such as the possible effect on the consumer, opportunities for illicit distillation &c., while the point at issue is one of proper accounting and is not directly affected by them.

P.T.O.

14. SUMMARY.

The possible reduction in the total recurring expenditure under 4 Excise may be summarixed as follows:-

			Minimum saving.
(i)	Excise Commissioner's office		
	Menial establishment - 5 peons (7).		420
(ii)	Dy. Excise Commr: and his establishment.		10,900
(iii)	Temporary establishment of Deputy Commissioners.		2,400
(iv)	4 Divisional officers.	1,000	
	Local house rent allowance to Kolar Assistant.	100	
	To peons attached to Distt: officers.	160	
		1,260	15,120
(v)	Reduction in the allotment for travelling allowances, (approximately) to officers.		3,500
(vi)	Abolition of 6 Probationary Inspectors.		
	6 (35)	210	2,520
	50 peons, 50 (6)	300	3,600
(vii)	Reduction in the allotment of Uniform.		6,000
(viii)	Remuneration to contractors for carriage of liquor to be charged to debt heads instead of to service heads.		50,000
			94,660
	Deduct anticipated reduction in shop rental.		50,000
			44,660

IN ROUND FIGURES. 45,000.

28.8.06.

Excise Commr's note on the feasibility of retrenchment in the Excise Deptt.

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ZG
15/2/07.

Page 15 Please make out on
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Page 18 Line 5 - Shame in more
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a brief resume thereof -

2 Insert Base a copy of
the present campaigning
combatant land -

3 Relevant Q.M.G. to be requested
& submitted for approval draft
Telegram inviting tenders
for future combats in the
case of all combats which
terminate on 30 June next

Page 48. Para 52 - Make the proportion of European
& Indian troops in the Garrison
of Ireland, Great, & Ulysses -

S.R. 145-06

Confidential

S. No. 9

Office of the Excise Commissioner
in Mysore.

Dated Bangalore, 30th January 1907.

No.

From

P.N. Purnaiya Esquire, B.A.,

Excise Commissioner in Mysore.

To

B. Sreenivasiengar Esquire, B.A.,B.L.,

Secretary, Retrenchment Committee,

Bangalore.

Sir,

I have the honor to acknowledge receipt of your letter No. 13 dated 27th August 1906 and the note forming its enclosure and in reply beg to state that the matter being a very comprehensive one required thorough scrutiny of figures cited both by the Comptroller and the Committee in the first place and an equally exhaustive examination and comparison of the facts and figures relied upon by me in forming my conclusions and observations now submitted in the form of a note enclosed for the patient and sympathetic consideration of the Committee and of Government. I have devoted a great deal of time and labor upon the subj

and have studied a considerable extent of current official publications and up to date literature of the British Indian local Governments to benefit by their experiences so as to place before Government complete information enabling it to adopt a scheme of Excise administration in Mysore which would uphold and continue its present position in the fore-front and admit of its future progress quite in line with the advanced British Provinces. I hope it will receive a liberal treatment because the revenue in this branch must grow with the industrial development of the country and therefore requires to be guarded by a loyal, efficient, reliable and vigilant staff. The investigation into the various details necessarily caused some delay for which I submit my apologies. The note submitted deals with all the points noticed by the Committee.

I have the honor to be,

Sir,

Your most obedient servant,

M. Srinivasaya

Excise Commissioner in Mysore.

Confidential.

16
21.1.07

N O T E.

With reference to the working of the department during the decade 1894-5 to 1903-4, the Comptroller has remarked that the increase in Excise Revenue in Mysore has been about 16% against 30% in Madras, that as regards expenditure it has increased by about 89% in Mysore against 61% in Madras and that the head other items " comprising chiefly the travelling expenses and the cost of Uniforms requires special notice. The Comptroller's calculations with reference to Mysore are obviously based on the statement of Receipts and expenditure appended to his note. But the figures in this statement, I find, do not correspond with those given either in the Departmental Annual Reports or in the Provincial Administration Reports. According to the latter, the receipts have risen from Rs.3425828 in 1894-95 to Rs.4124380 in 1903-04 or by a little over 20%, while the expenditure during the decade has increased from Rs.213955 in 1894-5 to Rs.327214 or by nearly 53%. As regards Madras, the Comptroller has not given his data for calculations. But from published reports I however find that while the receipts have increased from 136.30 lacs in 1894-5 to 176.14 lacs in 1903-4 or by 29 per cent only, the expenditure has risen from Rs.615871 to 992744 or by 61% as stated by the Comptroller.

2. But here I must submit that these comparisons between Mysore and Madras based on the figures relating to decade 1894-5 to 1903-4 are anomolous for the simple reason that the systems of Excise Administration which obtained in the two Provinces were not the same throughout the period in question.

3. First in regard to the Receipts:-

In Madras the tree-tax system to which is to be attributed the large increase of Toddy Revenue (and there Toddy yields 50% of the total Revenue) was started so far back as 1887-8, and was gradually extended District by District. By the beginning of 1894-5, the system had been introduced in the major portion of the Presidency and by the close of 1897-8 the system was in force throughout the Presidency. Thus it will be seen that the rapid strides noticed in Toddy Revenue between the years 1887-8 and 1897-8 do not represent the progress due to the working of Tree-tax system in any constant area; and are therefore misleading when applied for purposes of comparison. In Mysore, on the other hand, the system was first formulated in 1897-8 and in the following year it was introduced in its entirety all at once throughout the Province. Hence during the first 4 years of the decade commencing from 1894-5, Mysore had not the advantages of the Tree-tax system which had already been perfected in Madras. On the other hand from the 5th year

onward

onward i.e., subsequent to the introduction of the system, the progress of Toddy Revenue in Mysore has been much more marked than in Madras, either taking the Presidency as a whole, or as compared with the bordering Districts of the Presidency, viz, Bellary, Anantapur, Cuddappah and North Arcot wherein the system was introduced, just a few years previous to its adoption here and where, as here, Toddy is contributed chiefly by Date trees. The subjoined figures are significant in this respect:-

6

Name of tract.	Year of introduction of tree-tax.	Toddy Revenue in 1897-98 when the introduction of tree-tax system was completed in thousands.	Toddy Revenue in 1904-05 in thousands.	Percentage of increase.
Bellary	1897-98.	Rs. 365.	Rs 488.	34.
Anantapur	--do--	321.	420.	30.
Cuddappah	1896-97.	127.	159.	25.
North Arcot	1894-95.	416.	571.	37.
Madras Presidency.		7186.	9323.	30.
Mysore Province.	1898-99.	1308 (98-9)	1928 (05-6)	47.

I may here add that the progress in Toddy Revenue in Mysore would have been proportionately more conspicuous, but for the fact that the introduction of the Tree-tax system was

preceded

preceded by another great reform under which the old District-war leases were gradually broken up into smaller and smaller groups of shops, thereby doing away with the intermediaries between Government and the Vendors. This measure had in itself raised the Revenue to a very high pitch from Rs.984,000 in 1890-1 to Rs.1528,000 in 1896-7 or by 57% in the course of 6 years' great stride; and the increase subsequently attributable to the Tree-Tax system from 1308,000 in the year 1898-99 to 1928,000 in the year 1905-06 was 47% against 30% in Madras as shown in the statement above given. Comparing the increase since our Toddy system was reformed in the two ways noticed above, our increase from the starting year 1890-91 shows an increase from 984,000 to 1928,000 or 96 per cent against 85 per cent from 5176,000 to 9590,000 in Madras.

4. Turning next to Arrack, it will be also seen that during the quarter of a century that has elapsed since the Rendition which took place almost immediately after the Great Famine, Mysore has gone far ahead of Madras in the growth of income from this source. The Revenue under this head has increased from 4¼ in 1881-2 to 20 lacs in 1905-6 or by 394% while during the same period, the revenue in Madras has increased from 3983,000 to 7610,000 or only by 91%.

5. Lastly taking the Excise Revenue under all heads

Mysore has decidedly run in advance of Madras as will be seen from the fact that since the Rendition the Revenue here has increased from 10½ lacs to 4o.5 lacs (286%) while in Madras the Revenue has increased by only 220% from 59.68 lacs in 1881-2 to 190.84 lacs in 1905-6.

In short it will be now seen how the inference drawn by the Comptroller and accepted by the Committee in para 3 of the note under advertance that " the growth of Excise Revenue has been much less than in Madras ", is untenable, and is not borne out by facts; and how on the contrary the Revenue here has grown more rapidly than in Madras though for reasons explained in para 3 supra the decade commencing from the particular year 1894-5 is not the right starting point to Mysore for purposes of comparison.

6. It is noteworthy that proportionately to the population the incidence of Revenue is much greater here than in Madras, being, according to the Comptroller's statement, Rs.683 per 1000 of population against 460 in Madras. Presumably these figures relate to the year 1903-04. But from the departmental report it will be seen that the incidence in Mysore for the year was really much higher being Rs.710 per 1000 of population. This does not take into account the duty on imported Foreign Liquor levied in Madras at Tariff Rates and credited to the customs

Revenue

Revenue of that Presidency. Though this import does not bring in any Revenue to the Mysore State yet the proportionate share of the duty on the quantity imported and consumed in the Mysore State, is really a charge on the local consumer, and taking this charge into consideration the incidence of Excise Revenue works up to Rs.730 per 1000 of Mysore population.

7. Going into the details of the incidence under the principal heads of Arrack and Toddy, the contrast between Mysore and Madras is more striking. In Madras, the incidence of Arrack Revenue has risen from Rs.0-2-6 in 1886-87 to Rs.0-3-2 in 1905-6 against an increase from Rs.0-3-6 to Rs.0-5-9 during the same period in Mysore. In regard to Toddy the incidence in Madras, which was Rs.0-1-7 in 1886-87, i.e., immediately prior to the introduction of the Tree-tax system, rose to Rs.0-3-4 in 1897-98 as the result of the gradual expansion of the system and at the end of the year 1905-06 it was Rs.0-4-2 per head of population. In Mysore, on the other hand, the incidence which in 1886-87 stood at Rs.0-2-6 rose to Rs.0-4-9 in 1897-98 which was the last year of the old farming system, and since then, under the Tree-Tax system, the incidence has come up to Rs.0-5-9 in 1905-06. In short, it will be seen that starting with a much higher incidence, the Excise Revenue has progressed proportionately more rapidly here than in the Madras Presidency.

8. Next in regard to expenditure:-

Even here, any comparison with Madras based on the variations between 1894-5 and 1903-4 must be misleading; For there, simultaneously with the extension of the Tree-Tax system, District by District, between the years 1887-8 and 1897-8 the establishment of the Districts concerned also underwent, each in its turn, a costly revision; and with the completion of the introduction of the system throughout the Presidency, the necessary expansion of the establishment was also completely effected. This is obvious from the statement of the Excise charges since 1886-7 given below.

Year.	Rupees.
1886-7	240163.
1887-8	269048.
1888-9	328621.
~~1888-9~~ 1889-90	382794.
1890-1	470540.
1891-2	560176.
1892-3	585174.
1893-4	601440.
1894-5	615871.
1895-6	699243.
1896-7	706113.
1897-8	989306.
1898-9	991676.
1899-00	988618.
1900-1	1005201.
1901-2	991917.

1902-3.....971133.

1903-4.....992744.

1904-5.....994877.

1905-6.....1013750.

The cost of the revision effected in each District consequent on the introduction of the Tree-tax system may be seen from the subjoined statement:-

District.	Year of introduction of tree-tax.	Cost of old Establishment previous to Tree-tax.	Cost of revised Establishment in 1897-8.	Difference.
		Rs	Rs	Rs
Cuddappah.	1st October '96.	24,636.	48,636.	24,000.
Anantapur.	do '97.	19,200.	32,080.	12,880.
Bellary.	ddo '97.	21,828.	37,716.	15,888.
Kurnool.	do '95.	14,856.	57,408.	42,552.
North Arcot.	do '88.	17,232.	69,813.	52,581.
Salem.	do '88.	12,828.	51,852.	39,024.
Total.		110,580.	297,505.	186,925.
Other Districts.		284,734.	665,893.	381,159.
Grand Total.		395,314.	963,398.	568,084.

9. The foregoing figures speak for themselves. The Excise charges which in 1886-87 ie immediately before the introduction of Tree-tax system stood at Rs. 240163 rose step by step as the result of the gradual development of the system to Rs. 706113 in 1896-7 (an increase of 194%) and still further to Rs. 989306 (increase of 312%) in 1897-8 by which year the introduction of the system was completed. Again in the matter of the establishment, it will be seen that it was so thoroughly revised without regard to past expenditure as to raise the cost from Rs. 395314 to Rs. 963398 or by so much as 143%, the proportion of increase being

being even more (300%) in the adjoining Districts of North Arcot and Salem. No proportion with reference to the past has been heeded. But they have been guided absolutely by the necessities of the case. Subsequently too the establishment appears to have undergone some slight revision as will be seen from the fact that according to information, obtained, the establishment of Bellary and North Arcot Divisions now cost Rs. 132408 and 166572 respectively agai Rs. 127204 and Rs. 170301 in 1897-8. In Mysore, on the other hand, the tree-tax system was formulated in 1896-7 and introduced all at once throughout the Province in a preliminary form in 1897-8 and in its entirety in the following year, so that in these three years the cost of the establishment underwent an increase from 125000 to 196000 or 57%, and subsequently since 1898-9 the cost under this head has risen to Rs. 234000 the further incre of Rs. 38000 being due chiefly to addition of separate Divisional Officers for District Excise work with the nec sary establishment and the enhancement of the horse allow -ances to Inspectors from Rs. 15 to 20. How far each of these factors has contributed to the increase will be see from the subjoined statement.

year.

Year.	Salaries of Gazetted Officers.	Executive Staff.	Establishment.	Total.
1895-6.	26667.	85314.	12838.	124819.
6-7.	22605.	103517.	16101.	142223.
7-8.	32923.	135577.	18176.	186676.
8-9.	35461.	143960.	18016.	197437.
99-0.	39736.	146851.	18729.	205316.
0-1.	47195.	159917.	20608.	227720.
1-2.	48832.	148095.	29694.	226621.
2-3.	49268.	150552.	30886.	230706.
3-4.	49359.	150224.	32030.	231613.
4-5.	47316.	153251.	33644.	234211.
5-6.	47337.	155423.	33535.	236295.

Even comparing the present establishment, with that in 1895-6, it will be seen that in the working of the tree-tax system the cost has increased only by 87% against an increas of 143% in Madras as explained in the foregoing para.

10. The Comptroller's remarks about the " other items" call for special notice. He says that these items chiefly comprise " the travelling allowances and the cost of Uniforms." But going into details, I see that no uniformity has been observed in the Comptroller's Office in grouping expenditure under " other items". As an example of this want of uniformity, I may point out that according to the Comptroller's statement the expenditure has risen from Rs. 37000, in 1902-3 to Rs. 57000 in the following year. The

The reason for the large increase will be found in the fact that the figures of 1903-4 include the fixed horse allow--ances drawn by the Excise Inspectors and Assistant Inspectors, a charge which in the previous years had been included under " Establishment"; and similarly the expenditure on account of " Instruments and Furniture" has in some years been included under " Contingencies" and under "other items" in other years; and lastly the Comptroller's statements include certain items which do not figure in the statements furnished by him to this office. Taking only the expenditures incurred on account of Travelling allowance and supply of uniform, it will be seen that the former has increased from Rs. 12,038 in 98-9 to Rs. 15,449 an increase of Rs. 3,411 which is not much considering, the addition of 8 Divisional Officers to the Department; and that the supply of uniform during the past 4 years has cost Rs. 42035 or Rs. 10509 a year on an average as detailed below:-

	Rs.
1902-03.....	11,641.
1903-04.....	9,880.
1904-05.....	11,516.
1905-06.....	8,998.

11. Having reviewed the growth of Excise revenue and expenditure and explained how we have not been either less progressive in the matter of revenue or more liberal in

in respect of expenditure as compared with Madras, I proceed to discuss the changes proposed by the Committee. These changes are firstly:-

(a) to transfer to the vendors the charge now borne by Government on account of transport and distribution of liquor from the Distillery,

(b) to enhance the duty on Arrack to Rs. 5/- increasing the retail price from Rs. 6-6-0 to 7-7-0 a gallon; and,

(c) to retrench the expenditure on certain lines indicated:-

12-20

12. First as regards cartage of liquor, there is of course no such item in the Excise charges of the British Provinces. This is because of the peculiar system prevailing here which is quite different from any obtaining elsewhere.

13. In the British Provinces the Distillers have the privilege not only of manufacturing Arrack but also of selling the liquor by private negotiation to wholesale dealers. They even have their own out-station- Depots ~~are~~ or deal with other licensed depot-keepers in the matter of the carriage of Arrack from the Distillery to the Out-stations, and the retail vendors take Arrack direct from the Distill~~er~~-ies or from outlying Depots, at such prices not exceeding

exceeding a prescribed maximum, as may be settled between themselves and the Depot-keepers. The transport and distri-bution of liquor from the Distillery to the shops is no concern of Government which confines itself to the realiza-tion of duty on the quantity of Arrack actually issued for sale. But in Mysore, we have the contract Central Distillery supply system under which the manufacture of Arrack has been separated both from transport and from vend. The manufacturer has only the privilege of distilling Arrack only to the extent of quantity ordered and he deals directly with Government by suppling to the latter for ready cash at a fixed rate the quantity of Arrack required for consumption in the State. The Arrack becomes Government property at the Distillery itself and its subsequent transport to the several out-stations and supply to the licensees are matters which do not concern him. The superiority of our system is that it is absolutely not influenced by any tradesman's instinct of making profit by expanding the sales.

14. Hence it is that the transport of liquor to the several Depots is being effected at Government cost by a separate agency of contractors. The system now in force was formu-lated so far back as 1892 simultaneously with the separation of the business of manufacture from that of distribution

distribution and retail vend. In that year it was arranged that the carrying agents should be paid only the cost of actual transport at 3 annas per gallon with wastage allow -ances not exceeding 2%, and that the cost of establishment at the Depot and the rent for the Depot house should be charged to the licensees, in proportion to the quantity of Arrack drawn by each. The licensees of Bangalore District at first demurred stating that they did not want an inter- mediary but would take Arrack direct from the Distillery themselves; but after a month's time they realized their own inconveniences and additional expenses incidental to their drawing supplies direct from the Distillery and voluntarily prayed for supply through the Government agents Subsequently the licensees were absolved of the liability to bear even the cost of the Depot establishment chiefly in consideration of the inconveniences that entailed on the local officers in verifying the accounts of each shop-man and in recovering the money from the licensees and then disbursing it to the Depot establishments. Delays always occurred in the collection of the money and gave rise to loud complaints from the Depot Mutsuddies. Further embarr -sments arose when a licensee turned out an insolvent and

and the money became irrecoverable. The greatest objection was that the Depot licensee became the agent in a way of all the vendors that received supply from his Depot and got mixed up in the vend concerns,—a result suicidal to the policy of separation of supply and vend. To avoid these inconveniences the Carrying Contractors themselves were made responsible for the cost of the Depot establishments. ~~The~~

15. The question now raised for consideration is the expediency or otherwise of treating the charge incurred for the transport and distribution of Arrack to the shops as an addition to the price of liquor and recovering the same from the licensees. I have to point out how the imposition of the charge on the licensees will make them losers with the present margin of profit allowed to them and thereby affect prejudicially the revenue realized by Government in the shape of rental. The shifting of the transport charge on the licensee practically means a corresponding reduction in the margin of profit allowed to him and how far such reduction will affect the shop-rental may be judged from the subjoined statement which illustrates the experiences of past years.

Period	Licensees Cost Price: Duty per Gallon	Price per gallon	Total	Retail Price per Gallon	Profit per Gallon	Incidence of Rental: Quantity Consumed (Average)	Rental Average	Rental per Gallon	% of Rental on Profit	Net Profit	Average cost of transport per gallon
						Gallons					
1892-3 to 1896-7	4 - -	- 10 6	4 10 6	5 5 -	- 10 6	410238	184287	- 7 2	68	- 3 4	- 1 7
1897-8 to 1901-2	4 12 -	- 6 3	5 2 3	6 6 -	1 3 9	326116	357973	1 1 7	89	- 2 2	- 1 10
1902-3 to 1905-6	4 12 -	- 8 6	5 4 6	6 6 -	1 1 6	345075	339363	1 5 8	89	- 1 10	- 2 4

From the above it will be seen how the incidence of rental has been fluctuating with the rise and fall in the margin of profit allowed to the vendor.

16. Previous to 1897, when the profit was very low at 0-10-6, a gallon and the licensee had to pay out of this the Depot establishment charges, he was able to pay to Government only 0-7-2 per gallon or 68% of the margin allowed to him. Subsequently when the profit was increased to 1-3-9 between 1897-98 and 1901-2 and the licensee was relieved of the Depot charges, the revenue to Government in the shape of rental also rose to 1-1-7, when again owing to the enhanced price of liquor the licensees profit was reduced from 1-3-9 to 1-1-6 per gallon, the curtailment told to a corresponding extent on the rental which came down to 0-15-8 although the percentage of rental to profit did not fall. Since 1897-8, when the licensees were relieved of the Depot charges, the rental derived by Government has been 89% of the margin of profit allowed to the retail vendor. If therefore this profit should be reduced by changing the licensees with the remuneration now paid to the Carrying agents for transport and distribution of liquor, which charge, on an average amounts to 0-2-4 per

per gallon, a proporticnate fall in the rental will be inevitable; Thus what the Government expect to gain by shifting on the licensee the cost of carriage and distribu -tion of liquor, will be lost out of the rental and the charge will in no way prove profitable financially.

/7. On the other hand, the direct recoupment of such inci dental charges by a uniform enhancement of retail rates will be unpopular. The licensees of Bangalore and adjoining Districts and stations served by the railway will have reasonable grounds to demur to paying for cartage of liquor at the high rates allowed to the Contractors, on a general Provincial contract irrespective of distance; and they would prefer to draw liquor directly from the Distillery and make their own arrangements for transport. But this could not be allowed as it will be impossible for the distributing Officer to deal out liquor to every retail vendor who choses to go from the Districts; and one alterna -tive will be to introduce the wholesale dealer; these warehousekeepers there become intermediaries between the Government and the retail vendor and will naturally appropriate a good portion of the margin left between the retail selling price and the cost price including duty. The Vendors' profit will then be considerably reduced and this

this will in its turn tell upon the rental to Government.

18. It may here be added that the method at present adopt -ed for transport and distribution of liquor through the agency of the Carrying Contractors, is unfortunately not free from serious drawbacks. I have on more than one occassion reported to Government the inconveniences of having the Bonded Depots worked through such private agency but as no changes could be effected during the currency of the 5 year contract entered into with the carrying contract -ors in 1902, I have refrained from submitting any definite proposals towards remedying the admitted drawbacks. But now that the contract will expire next june, I shall ere long formulate a more effective and advantageous system for adoption from the next year. The expenditure now incurred on account of remuneration to Carrying Contractors may admit of being considerably reduced if their function is limited solely to the transport of liquor to the Bonded Depots taking over the latter i.e., the establishment directly under departmental management; and in the matter of transport too, the cost may be considerably reduced by rearranging the routes, taking greater advantage of the Railway.

19. Discussin

Discussing the methods for the distribution of Arrack to the vendors, the Indian Excise Committee in their report to the Government of India, just received, recommend the establishment of Bonded warehouse as a simple and convenient measure. They observe " these may well be established generally at the head-quarters of Tahsils or sub-divisions and other considerable towns and may be made use of for all classes of Exciseable articles. They can as a rule be protected by the Treasury guard and need be opened only on fixed days and at fixed hours by a member of the preventive establishment of the Excise Department. No direct payments should be received but issues should be made against Treasury Officer's receipts acknowledging the payment of duty"; and they add " that the system of Bonded warehouses may be made use of to relieve revenue Officers of onerous duties in connection with the supply of Opium and hemp drugs. Objections to it are that it is expensive and troublesome. These have been taken for the most part in Provinces in which there is as yet no organised Excise Staff. The Committee believe that as soon as proper establishments are entertained, the force of these objection will be found to be greatly diminished. Where issues are

are very large, a full time Officer will be required, but in the great majority of cases attendance for a few hours on one or two fixed days in a week will be ample. As the warehouses will be nearly all at large centres of population or at Tahsil head-quarters, this can be made readily compatible with the performance of his other duties in such centres by the nearest preventive Officer; and if the Ware-house is established in the office compound, a responsible revenue Officer can take charge of the keys for the rest of the week. A little training of the staff will dispose of the trouble at present complained of. Another objection to which the Committee attach no weight is that the establishment of these warehouses involves an undue connection of Government with the trade. The connection is only by way of control; and there is little to choose between the control of Excise operations in official premises or in private ones. On the other hand the transfer of Opium transactions from Government Treasuries to the Bonded warehouses would be a proper extension of the operations of an Excise Department and would remove dealings in intoxicants out of the hands of the Department which serves the general Public. The opening of Bonded warehouses need not conflict with the grant on a nominal fee of wholesale licenses for the sale of

licenses."

of duty paid liquor if there is a genuine demand for such.

20. Reverting to the recoupment of the transport charges, it may perhaps be argued that the extra charge of 0-2-4 per gallon (on an average) which the licensee will be called upon to bear will be more than covered by the extra profit which he will get by the proposed enhancement of the retail price of Arrack from Rs. 6-6-0 to Rs. 7-7-0, a gallon, which in spite of the contemplated increase of duty from 4-12-0 to 5-5-0 (inclusive of local cess) will give him a profit of 1-9-6 per gallon or 8 as. more than what has now been allowed to him, and that consequently there need no apprehension of a fall in the rental. But the effect of enhancement of retail rates in view to enlarge the margin of the retail vendor's profit is not so simple as it looks. The subject when viewed in all its bearings is a very complicated one, and can be discussed here only very generally.

21. In proposing this enhancement of duty and retail price the Committee observe that notwithstanding occassional enhancements of duty in the past, in view to check increase in consumption the course of revenue has been steadily progressive except for a slight set-a-back in the early years of the Plague and that since 1901-02, the consumption of Arrack has again been increasing at a very rapid rate

rate viz, 20% in 3 years; and while conceding that the present rates are sufficiently high it is urged that the drinking - population is chiefly confined to such trading and industrial centres as the Cities of Bangalore, Mysore and Kolar Gold Fields, the consumption in these three Cities alone being slightly less than one half of the total for the Province.

22. The point first calling attention is, how far the foregoing data assumed by the Committee can be substantially relied upon in deciding the question of enhancing the duty and retail price of Arrack. With reference to this I may at once observe that the rise in consumption noticed by the Committee in the three years between 1901-2 and 1903-4 has not been subsequently sustained. For from the returns it will be seen that the consumption, which rose from 302423 gallons in 1901-2, to 349826 gallons in 1903-4 or an increase of 15.6% (and not 20% as observed in the Note) has, after a further rise to 367148 gals. in 1904-5 again fallen to 331337 gallons in 1905-6, the consumption during the last mentioned year being less than in 1902-3 and much below the consumption of 1898-99, the very very first year of Plague infection in the Province.

23. The figures below show consumption :-----------

consumption for periods during which different rates of duty prevailed:--

	Gallons	
1892---3 (a)	372758	Duty Rs. 4 Retail Price. 5-5-0. (a) In these two years the duty for malnad was Rs. 3-14-0.
1893---4 (a)	393586	
1894---5	427057	
1895---6	442338	
1896---7	415451	
Average	410238	
1897---8	352066	Duty ₹4-12-0 Retail Price 6-6-0 (b) First year of Plague
1898---9 (b)	342181	
1899---0	325563	
1900---1	303342	
1901---2	302423	
1902---3	332005	
1903-4	349826	
1904---5	367148	
1905---6	331337	
Average	333988	

24. From these figures in the above it will be seen how the consumption which was kept up at over 400000 gallons when the duty was only ₹4 fell to 352000 in the first year of enhancement of duty to ₹4-12-0 and of retail price to

to 6-6-0 per gallon and how Plague, appearing in the follow -ing year, has kept down the subsequent consumption at a still lower level. In the complications brought about by the ravages of the Plague coupled with a series of adverse seasons during the past decade, it is not possible to guage the effect of the increase of duty and retail price last made in 1897-8 independently of the influences of other depressing causes at work.

25. Next turning to the industrial centres which chiefly contribute to the consumption of Arrack the figures in the subjoined statement are interesting:---

year.	Consumption.					
	Bangalore City.	Mysore City.	Kolar Gold Fields.	Total Cities.	Coffee Taluks.	Total Industrial Centres
1	2	3	4	5	6	7
1894-5.	66780.	28132.	48658.	143570.	78425.	221995.
5-6.	72029.	28473.	52958.	153460.	80647.	234107.
6-7.	68690.	27481.	60190.	156361.	67706.	223967.
Average,	69166.	28029.	53935.	151130.	75593.	226690.
1897-8.	58018.	23370.	54798.	136186.	48272.	184458.
8-9.	56832.	21050.	63490.	141372.	44218.	185590.
9-0.	51841.	22121.	66139.	140101.	35823.	175924.
0-1.	47584.	20587.	63745.	131916.	28064.	159980.
1-2.	51946.	22376.	58946.	133268.	27836.	161104.
2-3.	55054.	28925.	75511.	159490.	33634.	193124.
3-4.	63589.	29803.	71228.	164620.	33977.	198597.
4-5.	62795.	29670.	85526.	177991.	32594.	210585.
5-6.	62303.	29100.	56074.	147477.	32184.	139661.
erage.	56551.	25222.	66162.	148047.	35178.	178780.

Perusing the figures in column 6 one cannot help being struck with the precipitate fall in consumption in the coffee tracts which fall is but a reflection of the sad and almost irrecoverable depression that has overcome the coffee industry in general. In the cities too, the consump -tion of Arrack has been adversely affected since 1897-8; and the tendancy to revive, first exhibited in 1902-3, has again collapsed during the last year.

26 It may be that the laborer's wages have risen high; but the prices of food grains having also gone up, even more rapidly in consequence of adverse seasons, one fails to see a reflection of the laborer's prosperity due to enhanced wages in the statistics of Arrack consumption. As a matter of fact wages would appear to remain at much the same point as is seen from the following figures:--

Year.	Rates of Wages of Unskilled labor.	
	Maximum.	Minimum.
1897--98	5 to 8 as	4 to 2 as.
98--99	6 to 8 as	4 to 2 as.
99-00.	do	do
00--1	do	do
1-2	do	do
2--3	do	do
3--4	do	do
4--5	do	do
5--6	do	do

As

As for the price of ordinary food grains, they rose steadily till 1901-2. Then they were comparatively easy for two following years and then assumed an upward tendency. This is illustrated from the following figures:--

Year.	Average price of Food Grains. Seers per Rupee.	
	Rice.	Ragi;
1897---98.	8.91.	20.32.
8---9.	10,60.	23.81.
9---0.	9.35.	17.35.
0---1.	8.12.	14.65.
1---2.	9.57.	19.2.
2---3.	10.53.	25.0
3---4.	10.81.	28.57.
4---5.	10.94.	24.70.
5---6.	8.47.	16.80.

These figures have been taken from Government returns and from the year 1897-98 when duty was last raised from Rs. 4 to Rs. 4-12-0.

27 In short whatever the causes may be, whether due to the increase in the price of liquor or to the disasters of the Plague or to the high prices of provisions, there remains the hard fact that the consumption of Arrack has decidedly gone down since the last increase in cost of liquor and the enhancement of duty in 1897-98 to an extent much above the highest of the rates prevailing in the Madras Presidency, and One fails to see a justification for

for the application of additional handicap in the shape of a further enhancement of duty and retail price of the liquor.

28 But yet it may be considered what will be the effect of raising the duty and price of liquor? As already stated by me, the question is a complicated one and not easy to answer.

29 Maximum of Revenue from a minimum of consumption is the universally recognised motto of Excise Adminis-tration; and the principles underlying this motto have been enunciated thus:---

" (1) that any extension of the habit of drinking among the populations is to be discouraged.

" (2) that the tax on spirits should be as high as may be possible without giving rise to illicit methods of making and selling liquor.

" (3) that subject to these considerations a maximum of revenue should be raised from a minimum of consumption of intoxicating liquor.

27 The proposal to enhance the duty and retail price will therefore be discussed with reference to the foregoing principle. Of the two factors, duty and retail price, it is the latter which calls for care-ful consideration as const-tuting

constituting the direct taxation on the people, the former being only the Government portion of the revenue and so far as the drinking population is concerned, it is immaterial in what proportion the tax is divided between the Government and the Vendor. The retail price has to be determined with great caution having regard to two great considerations Viz, (i) the competition of Foreign Liquor and (ii) Illicit dealings. The former is a great rival to the Country Spirit and is fast gaining ground. This advance of Foreign liquor over the Country Spirits has been noticed by the Government of India so far back as 1890 in the following words:--

" We have adopted what is admitted to be the most efficacious means of restricting the consumption of imported Spirits by imposing a high duty and raising the rate from time to time. The imports have neverth less, increased, and the increase has been greater, proportionately than that of the Excise Revenue proper. We believe that a portion of this increase is due to the higher rates of duty gradually imposed on Spirit manufactured in the country which have made it possible for imported spirit to compete in some places with Country Spirit."

The Indian Excise Committee of 1905-6 have also

also observed that " the consumption of all classes of Foreign liquor has largely increased" and that " the consumption of them tends to show a rapid increase especially where the rates of taxation on Country Spirit are high or the shops for the sale of it are greately restricted in number".

Any enhancement of the retail price of Country Spirit is decidedly a point gained in favor of Foreign liquor, and as the latter pays no duty to the inland Mysore State, the advance of Foreign liquor means a loss of duty on the corresponding fall in the consumption of Country Spirits. The maximum tariff duty on Foreign Spirits is Rs. 7 a gallon of London Proof or Rs. 5-6-0 per gallon of 20 U.P. and if the wine merchant is not over ambitious, he can certainly afford to keep down his selling price at something below Rs. 7-7-0, to which the price of Arrack is proposed to be raised, and thus thrive at the expense alike of the Arrack licensee and the State.

31. The competition of Country Beer, which is largely resorted to by the laborers has also to be taken into consideration in fixing the price of Arrack;

As observed by the Indian Excise Committee, the

the " low price of this liquor equally with that of Tari (toddy) must be check on the increase of taxation on Country Spirit whenever the two come into competition." The beer, which is largely consumed in the Chief Industrial city of Kolar Gold Fields, brings to Government, but a nominal duty of 2 as. per gallon, and any advance of beer consumption at the expence of Arrack will therefore greatly tell upon the large revenue now derived from the latter.

39. Next the tendency to illicit distillation has been universally recognised as a very real obstacle in the way of raising the price of liquor. These prices cannot but be regulated by the demand arising from the habits of the people according as they make legitimate use of it, or abuse it. When they make proper use of it the policy of the Government ought to be not to make it dearer than can be avoided as being more or less a necessary or at any rate a usual and generally wanted article of consumption. So long as people do want liquor, they will obtain it at any cost and it is far more safe that they should be encouraged to obtain it by lawful means, than be driven to illicit practices by reason of the prohibitive cost of the article needed to satisfy their

their cravings. There is a limit to the price, a limit varying accordingly to the habits and conditions of the people which can be demanded of the masses for the liquor they necessarily require; and the slightest transgression of this limit in the zeal either to enhance revenue or to keep down consumption, will not only defeat the object in view, but will have a quite contrary effect by giving rise to illicit manufacture and smuggling.

4. A perusal of the Administration Reports of the Excise Department will show how far illicit distillation and smuggling are prevalent in those parts of the Province, where the people still alive to the traditions of the old out-stills are very familiar with the process of distilling cheap liquor. Of course, it may be argued that our Executive Staff amply armed with powers under penal enactments must be able to suppress illicit distillation. But there are practical difficulties which render the work of the Execu-tive not easy. In most places, the sympathy of the people is distinctly on the side of illicit distillation, and the following extract from the report of the Bengal Excise Commission of 1883 is amply borne out by the experiences of our own Excise Officers.

As

" As a general rule, illicit spirit was distilled in small quantities and in the inner rooms of the houses or in the jungles. In the latter case, detection could only be the result of accident. In the former, no matter how active detective Officers may be, they can do little unless they are supported by the fellow villagers of the offenders; but it is notorious that Excise men cannot look for such support or aid. The sympathy of the people is entirely with the illicit distiller and the smuggler who, as one of the witnesses expressed it, is always sure of his safety, impunity and the friendship of his neighbours. He is sure that his neighbours will not betray him; and in case he is spotted by an outsider, the neighbours will never turn evidence against him".

33. In para 273 of their report, the Indian Excise Committee have noticed the evidence as to the prevalence of what they have described as " one of the commonest but most serious offences against the Excise Law". The Committee write- " It is sometimes said that illicit distillation is a bogey put forward by Governments unwilling to enhance taxation and improve their systems. That this is not the case was sufficiently shewn in

in the despatch of 1890 where it was remarked" The tendency to illicit distillation forms a very real and at a certain point an unsurmountable obstacle in the way of raising the price of liquor by imposing a heavy duty on it. In some places the sympathy of the people is distinctly on the side of illicit distillation and we are not aware of a single instance in which zeal for the cause of temperance has led to the discovery of unlawful practices". Since this was written the rates of duty have increased in a greater degree than the establishments have been improved and the Committee have received wide evidence from several Provinces of the wide prevalence of illegal manufacture.".

34 Apart from the consequences of illicit distillation and other positive malpractices, there is yet another aspect of the question which requires careful consideration in fixing the retail price of liquor in this province, which is bordered on all sides by and in some parts interlaced with British territory where Arrack is sold at rates much below the price obtaining here. In Madras the price of Arrack varies in different Districts, because of the varying rates of still head duty prescribed for the several Districts and also of the varying cost price of liquor

manufactured

manufactured in and issued from the several Distilleries.

35 In Madras the duty per gallon of Proof strength varies from Rs. 5-10-0, in Madras, Nilgiris and Wynad to Rs. 1-14-0 ---(the corresponding rates for 20 U.P. strength are Rs. 4-8-0. and 1-8-0. respectively)----, in the Taluks of South Arcot bordering on Pondicherry, the former being justified by the high wages and large consumption in those tracts while the latter is accounted for as having been necessitated " by the cheap liquor sold in French Territory For, where Arrack rendered dear by imposition of a high rate of duty is confronted with a cheaper stuff to be had for a stroll to an adjoining foreign ~~Liquor~~ shop, it is natural that the drinking population will resort to the latter; and it is equally inevitable that the cheap liquor will also be smuggled, into the high duty area perhaps in small quantities at a time, without much risk of detection So far as this Province is concerned, the differences betw the price here and those obtaining in the bordering Britis Tracts will be seen from the subjoined figures:--

District	Rate of duty						Cost of liquor of 20 U.P. to the Vendor									Average Retail Vend Price			Corresponding rates for 20 U.P						Remarks.
	Proof			20 U.P.			Duty			Price			Total						Cost Price			Retail Price			
Coimbatore	5	-	-	4	-	-	3	8	-	-	14	10	4	6	10	6	4	11	5	0	11	7	3	4	x Palmyra Arrack
Salem	5	-	-	4	-	-	3	8	-	-	11	6	4	3	6	5	15	4	4	13	2	6	13	-	
N. Arcot	5	-	-	4	-	-	3	8	-	-	9	6	4	1	6	5	11	2	4	10	4	6	8	2	
Cuddapah	4	6	-	3	8	-	3	1	-	-	12	-	3	13	-	4	10	9	4	5	9	5	5	5	
Anantapur	4	6	-	3	8	-	3	1	-	1	1	-	4	2	-	6	-	-	3	9	6	6	13	8	Sugarcane arrack
Bellary	4	6	-	3	8	-	3	1	-	1	-	-	4	1	-	5	10	11	4	10	3	6	7	11	
S. Canara	2	9	9	2	1	5	1	13	3	-	14	6	2	11	9	3	10	8	3	1	11	4	3	-	
Dharwar	4	8	4	3	9	6										4	12	-	-	-	-	5	1	-	25 U.P.
N. Arcot (Ahoreghaut Taluk	4	5	4	3	7	6										3	4	-	-	-	-	3	7	6	
N. Arcot Coast-de-	2	5	4	1	13	10										4	12	-	-	-	-	5	1	-	
Mysore.	5	15	-	4	12	-	4	2	6	-	7	5	4	9	11	5	9	3	5	4	6	6	6	-	

~~35~~ The retail vend price includes the cost of transport to the retail shop of liquor from the Distillery or wholesale store and the margin of profit of wholesale licensee. The strength of liquor sold to the masses is 30 U.P. in Madras, 25 U.P. in Bombay, and 20 U.P. in Mysore; and though the rates of duty and price vary as the strength, yet for all purposes of the Arrack consumer, the small difference in strength is not of so much consequence to him as the difference in the price of liquor actually sold to him for

for consumption. Hence the red ink figures in columns 4 to9 of the foregoing statement are merely mathematical calcula tions of no practical value; and the real situation has to be judged by a comparison of the entries in black ink. From the figures it will be seen that in the frontier parts the Mysore laborer has before him, the option of going in for the local Arrack priced at Rs. 6-6-0 a gallon and foreign Arrack to be had for lower prices just for a stroll to the adjoing British shop; and there can be no question about his choice. To the Mysore vendor too the low price of the liquor in British Territory is an inducement for clandestine purchase and smuggling into his shop, of the cheaper liquor in preference to the high priced local Arrack. It is to be noticed here that these retail prices over the border serve as an index to the purchasing power of the general consumers there and the conditions here; and they are not very much different.

36. The effect of this unequal competition is already visible to a certain extent in the low incidence of Arrack consumption in some of the Districts of Mysore as compared with that in the adjoining tracts of British territory in spite of common, social and economic conditions as will be seen from the following figures.

figures:---

District.	Incidence per head.	Adjoining British District.	Incidence.
Bangalore . (including City)	3.3	Salem.	1.7
Kolar. "	2.6	North Arcot. Cuddapah.	2.5 2.1
Mysore. "	0.6	Coimbatore.	1.9
Tumkur. "	0.8	Anantapur.	1.8
Hassan. "	1.1	South Canara.	3.5
Kadur "	3.4	,,	
Shimogga. "	3.7	Dharwar North Canara.	3.6 5.5
Chitaldrug. "	0.8	Bellary.	3.8

I may here add that in British territories the selling price of Arrack is not fixed as here but is left to the option of the vendor, subject only to a minimum prescribed so as not to render the liquor unduly cheap. The figures given in the aforesaid statement, are only the average selling prices and mark therefore the average limit above which the vendor has been unable to raise his price in the interests of his profit in the business. Even this limit is, it will be seen, below the price of Rs. 6-6-0 per gallon now in force in this Province.

37. I need hardly add that a further increase of the retail price to Rs. 7-7-0 per gallon as proposed by the Committee

Committee will only lead to the enrichment of the British shops at the frontier at our expense and to the close approximation of duty on Country Spirits to that on imported liquor, which as has been elsewhere pointed out, is opposed to the true policy of taxation of these two kinds of spirits.

38. Lastly reverting to the question of Still Head Duty it is proposed to raise this from Rs 4-12-0 per gallon to Rs. 5-5-0 including cess, as against an increase of Re. 6-6-0 to Re. 7-7-0 a gallon in the retail price; and conceeding the manufacturer's price of liquor to be 0-8-6 per gallon at which it now stands, the vendor will, under the proposed conditions get a profit of Re. 1-9-6 a gallon against Re. 1-1-6 at present. And it may be argued that this addition to the vendors profit will bring with it a corresponding addition of revenue to Government in the shape of rental. But I may submit that the prospect of obtaining additional rental by enhancing the vendors profit must be a doubtful one, so long as the vendor is not sure of the effect of increase in the retail price on the consumption of liquor.

39. Again, the enhancing of the vendors margin of profit is an action of doubtful expediency. In the first place, it will be giving away to the vendor a substantial share of the tax imposed on the people for the ~~grant~~ general benefi

benefit of the State. The vendor's profit ought to be regu -lated by the standard of income of men of corresponding social position and any large addition to his remuneration is open to the objection of taxing for sake of his benefit.

Secondly, an unscrupulous vendor if allowed more profit than is absolutely necessary for him to keep up the business as an ordinary trade-concern, is likely to abuse the benefit by underselling the liquor i.e., selling it below the fixed price, to push on consumption.

Lastly, the Arrack trade if made lucritive by widening the margin of the vendor's profit, will become a source of general attraction to money making people and these in their turn will exert their best to expand the business by creating fictitious needs for liquor shops at places where they were unknown before, thereby subverting the very first principle underlying Excise taxation Viz, " to discourage the extension of the habit of drinking among the people".

40. The next point suggested for consideration is the enhancement of the Tree-tax on Date trees from 1 Rupee to 1½ Rupees as in Madras.

I may here state that in Madras the Tree-tax rates are not uniform but vary in the several Districts from 1 Rupee to Rs.2-8-0.

These rates have recently been revised with effect from 1st October 1906 and in the Districts bordering on the Province the revised rates of tax on Date trees are as follows:-

Cuddappah.----------	Rs.1-8-0	raised by Rs.0-8-0 in each case.
Anantapur.----------	1-8-0	
Bellary. ----------	1-8-0	
North Arcot.----------	2-0-0	
Salem. ----------	2-0-0	

In regard to the Bagani tree it is tapped only in the Malnad Districts of Hassan, Kadur and Shimoga; the tax here is Rs.1-8-0 per tree for the whole year; while in the bordering Madras District of South Canara the tax was till recently 2 Rupees for half year and has, with effect from 1st October 1906, been raised to Rs.3/- for half year; but as no tree could be tapped in both halves of the year, the tax in Madras practically comes to Rs.3/- a year against Rs.1-8-0 here.

41. In Madras the only charge on the tree is the tax at

the

the foregoing rates; but here the licensee has to pay besides Tree-tax, local cess on the tax at 1 anna per Rupee.

42. Again from the commencement of the current year, a fresh charge has been imposed on the licensee in the shape of local cess at one anna per Rupee on the shop rental. The toddy rental of the current year amounts to Rs.13,60,443 and the fresh imposition of local cess thereon will bring an addition of over Rs.85,000 to the State Revenues, though in the accounts the sum will go to the credit, not of Excise, but of Local Funds.

43. The subjoined statement shews the number of trees tapped, the Tree-tax and the shop rental year by year since 1898-99:-

Year	Date			Bagani		
	Number of trees tapped	Tree-tax	Shop rental	Number of trees tapped	Tree-tax	Shop rental
		Rs.	Rs.		Rs.	Rs.
1898-99	506967	514565-	739439	8452	12814	8732
1899-1900	518065-	526268	1066182	14905-	22675	15486
1900-1901	498573	507041	1288409	18263	27784	26595
1901-1902	438588	448045	1165612	16874	25830	23481
1902-1903	427131	443071	1196542	15482	23621	24175-
1903-1904	402587	418245-	1198562	14815-	22862	26133
1904-1905	428168	440546	1187082	18105-	27590	27542
1905-1906	475373	489929	1306351	19747	30160	34026
Average	461932	473464	1143522	15830	24167	23271

44. From the above, it will seen that annually on an average 461932 Date trees and 15830 Bagani trees are being tapped by the licensees who pay an annual rental of Rupees 1143522 for Date toddy shops and Rupees 23271 for Bagani toddy shops. As the newly imposed cess on rental has to be met only out of the yield of the trees tapped, it may be taken as amounting to an additional charge of $\frac{1143522}{461932}$ or 2½ annas per Date tree and $\frac{23271}{15830}$ or 1½ annas nearly per Bagani tree. Thus on the whole the toddy shop licensee pays on every tree tapped;

	If Date.	If Bagani.
Tax.	Rs. 1-0-0	Rs. 1-8-0
Cess on above,	0-1-0	0-1-6
Cess on rental.	0-2-6	0-1-6
	1-3-6.	1-11-0.

while in Madras the licensee pays nothing more than the Tree-tax proper at the rates prescribed for the several Districts. An enhancement of the present Tree-tax to the same rate as that prevailing in Madras will place the Mysore licensee at a greater disadvantage than his Madras brother by reason of the cess levied from the former.

45. However it may not be out of place to point out that the levy of local cess on Tree-tax, and on shop rentals is, as far as is known to me, without a parallel in any of the British Presidencies;

Presidencies; the cess on toddy rental is a recent imposition dating only from the current year and has not been extended to similar rentals in respect of Arrack and intoxicating drugs. I would suggest that this local cess be remitted. The Tree-tax may then be raised by 4 annas in the case of Date trees and 8 annas in the case of Bagani trees. By adopting this course, the demand on the licensee will be simplified and the collection and accounts too facilitated to a great extent.

46. Financially too, it will result in an additional revenue to the State as per calculations below:-

	Date	Bagani	Total
Number of trees tapped.	461932	15830	477962
Tree-tax at present rate	461932	23745	485677
Cess at 1 anna.	28871	1484	30355
Cess on rental.	71470	1454	72924.
Total	562273	26683	588956
Tree tax at Rs 1-4-0 Date and 2 R. Bagani	577415	31660	609075.
Additional Revenue:	15142	4977	20119.

The additional revenue expected may be safely put down at Rs.20000 and it should be remembered that this is in addition to the Rs.72924 imposed as cess on toddy shop rental with effect from the current year. Lest the proposed absorption of the cess affect the revenue to Local Funds, I would suggest that the latter be compensated by crediting to it 1/17th of the Tree-tax collected.

47. I now proceed to discuss the last and main point at issue Viz, the curtailment of the expenditure. Having already discussed at some length the course of the progress of expenditure in past years, both here and in Madras, I shall now confine myself to considering the present scale of expenditure now budgeted for.

48. The committee observe that " in Madras, the proportion of expenditure to revenue was only 6% for 1903-04, the last year of the decade taken up for review, and that after making due allowances for this distinguishing feature between the establishment of Madras and Mysore, it still appears that our establishment is more costly than that of Madras".

49. In respect of Madras the proportion of Excise expendi-ture to income is based not on actuals, under Excise, but on a conventional apportionment of the actual expenditure under certain budget heads for purpose of accounts. For as observed by the Committee in Madras the establishment is a combined one for Salt, Abkari and to a certain extent, Customs and certain proportions of the total cost are debited to each of the three heads; and even this didtribu-tion of expenditure is fixed and not proportionate to the

the actual revenues under the several heads. How far such conventional apportionment of expenditure has benefited Excise at the expense of 'salt' may be seen from the following figures:--

Particulars.		Revenue. amount.	Revenue. Percentage to Total.	Expenditure. amount.	Expenditure. % to Total.	% of expendi-ture to Revenue.
1903-4.	Salt.	19535805.	52.	1904910.	63.	9.7.
	Excise.	17702209.	48.	992744.	33	5.6
	Customs			130624.	4	
	Total.	37238014.	100.	3028278.	100.	8.1
1904-5.	Salt.	19538005.	51.	2002127.	64.	10.2
	Excise.	18753820.	49.	994887.	32.	5.3
	Customs.			130905.	4	
	Total.	38291825.	100.	3127909.	100.	8.2.
1905-6.	Salt.	15789722.	45.	2173084.	65.	13.7
	Excise.	19113741.	55.	1013751.	30.	5.3
	Customs.			133388.	5.	
	Total.	34903463.	100	3320223.	100.	9.5

50. In Madras the distribution of the total charges is thus explained " excluding Rs. 18254 spent on Excise licensees works and Rs. 634205 on salt purchase and freight which are items exclusively relating to salt, the net charges debitable to combined salt, Abkari and Customs Department amount to Rs. 2667764. Five per cent of this or Rs. 133388 is as usual debited to customs and two-fifths of the balance or Rs. 1013751 to Excise. The remainder together with the two amounts mentioned above as relatively exclusively to salt in all Rs. 2173084 is the amount debitable to Salt".

Salt".

Analysing the expenditure it will be seen that similar to the two charges exclusively relating to Salt, is the expenditure of Rs. 88314 incurred on Distillery and warehouses which relates exclusively to Arrack, and should be de bitable to Excise. If this expenditure be also excluded from the common charges and the remainder apportioned in proportion to the revenue Viz, 45% salt and 55% Excise instead of in the arbitrary proportion of 60 to 40; the details of the debit will be as follows:-

			Rs.
Total expenditure.			3320223.
Deduct exclusive charges.			
Salt.	652459.		
Excise.	88314.		740773.
		Balance.	2579450.
Deduct 5% Customs.			128972.
		Balance.	2450478.
55% Excise.			1347763.
plus Distillery charges.			88314.
		Total Excise.	1436077.

or 7½% of Revenue.

57. Apart from artificial adjustment of expenditure for purposes of accounts, the real incidence of expenditure is to be found in the proportion of:---

(a) The combined revenue under Salt and Abkari to the combined expenditure

or (b) Abkari revenue in Districts with little or no Salt or customs work to the expenditure in those Districts. Under the former calculation the expenditure in Madras during the year 1905-6 have been as will be seen from the statement in the foregoing para as much as 9½% of the revenue against 8% in Mysore. The Districts of the Madras Presidency with little or no salt or customs work are:--

(1) Bellary Sub-Division comprising the revenue Districts of Bellary, Anantapur and Kurnool.

(2) Arcot Sub-Division comprising the revenue Districts of Salem, North Arcot and Cuddapah.

These Sub-Divisions also border on Mysore and are therefore well suited for comparison; there the proportions of Excise receipts to expenditure are as hereunder:--

Sub-Division.		Excise Revenue.	Expenditure.	% of expenditure to Revenue.
Bellary	1903-4.	1741096.	142100	8.1
	1904-5.	1854576.	161678.	8.7
	1905-6.	2026964.	153431.	7.5
Arcot.	1903-4.	2358140.	202566.	8.6
	1904-5	2673040.	195360.	7.0
	1905-6.	2608015.	207243.	7.9.

52. The expenditure in the foregoing statement is exclusiv of the cost of the Head Quarter Office and of the Arrack

Arrack establishment under the special Abkari Deputy Commis-sioner. Similarly excluding the Head Quarter Office and the charges relating to the manufacture and distribution of Arrack, the proportion of expenditure to the Revenue here will be 5.8, 5.7, and 5.7 respectively for the years 1903-4 1904-5, and 1905-6 as detailed below.--

	1903-4	1904-5	1905-6.
Demand under all heads,	3873866.	4023761.	4051564.
Expenditure.	221354.	232178.	235123.
Percentage of expenditure to Demand.	5.8	5.7	5.7

These figures speak for themselves and show how untena-ble is the assumption that our establishment is more costly than that of Madras.

53. Going into the details of Excise Staff the Committee has remarked as follows:--

> ....." Both in regard to the Executive force and the higher supervising officers the numerical strength in this Province is disproportionately high as compared with that in Madras. Both the Salt and Excise Revenue of Madras amounting to more than 3½ crores in an area 5½ times (4½ ?) Mysore are administered by a superior staff of Officers consisting of a commissioner assisted by a Secretary, and 4 Deputy Commissioners and

and 23 District Collectors with 12 special Divisional Assistant Commissioners; while the Executive force is made up of 82 Inspectors, 122 Assistant Inspectors and 900 Sub-Inspectors with the necessary menial establishment. We have at present in Mysore besides the corresponding Head Quarter Staff one whole time Deputy Excise Commissioner, 8 special Divisional Officers to assist the 8 Deputy Commissioners in Excise work, 49 Inspectors, 120 Assistant Inspectors, 118 Sub-Inspectors and a large menial establishment besides a separate staff for purely Distillery and Ganja work."

54. The observations are too broad to be accepted without close scrutiny. I append below a statement giving details of the Excise Staff in Madras and here in juxta position for ready reference.

Madras.		Mysore.	
Particulars.	Pay.	Particulars.	Pay.
Administration			
1. Commissioner	3750.	1. Commissioner.	1200-150.
1. Secretary.	1500.	1. Deputy Excise Commissioner.	800.
3. Deputy Commissioners.	1200-1400	9. Assistant Commissioners.	200-450.
13. Assistant Commissioners.	500-1000.		
156 Clerks and accountants.	15-250.	29. Clerks and accountants.	15-100.
157. Menials		77. menials	
Distillery.			
1. Deputy Commissioner.	1050.	1. Inspector.	150.
3. Inspectors.	250-400.	1. --do--(Asst:).	60.
11. ---do--(Asst:)	125-175.	2 Sub-Inspectors.	10.
3. Sub-Inspectors.	30-70.	1. Accountant	30.
3 Clerks.	30.	19. Peons.	
8 Petty Officers.			
89. Peons.			
		Executive.	

Madras.		Mysore.	
Particulars.	Pay.	Particulars.	Pay.
Executive			
78 Inspectors.	250-400.	43. Inspectors.	40-100.
102 Assistant Inspectors.	125-175.	6. Pro. Inspectors.	35.
15. ,, (Temporary)		120. Asst. ,,	15-25.
838. Sub-Inspectors. (permanent)		43 Sub-Inspectors. (Inspectors Clerks)	12-15.
37. ,, (Temporary)	30-70	75. ,, (Executive)	12.
316. Clerks.	10-50.	336. Tree-markers.	7-8.
7263. Servants.	4-15.	220. Peons.	6-7.
		Ganja Temporary.	
		2 Inspectors.	20-25.
		2 Peons.	
		1. Kolar Patrol Asst: Inspector.	35.
		4. Peons.	
Abkari Establishment in Collectorates.			
265 Clerks.	15-40.	95 clerks, Mutsuddies, and Shroff.	10-25.
72. Menials.		7 ,, (Temporary).	

A glance at the statement will, I dare say, shew how poorly our staff compares with that of Madras, both as regards numerical strength and salaries. In the first place a separate staff purely for Distillery work is not peculiar to Mysore. Here Our Distillery which issues annually on an average since 1902-3, 345079 gallons of 20 U.P corresponding to 276063 gallons of Proof strength is worked by 2 Inspector drawing Rs. 150 and 60 respectively at a cost of Rs. 5160 a year, while in Madras where the average consumption is

is 1178199 gallons Proof a year a little over 4 times the consumption in Mysore. The Distilleries are supervised by a Deputy Commissioner, 3 Inspectors, 15 Assistant Inspector and 28 Sub-Inspectors costing in all over Rs. 88000 a year.

55. The Ganja establishment here which is a temporary one, has also a more costly counterpart in Madras in the Temporary Staff of Assistant and Sub-Inspectors, the majority of whom, are entertained for Ganja work during the harvesting and curing seasons.

56. Referring to the poor salaries of our Excise Officers as compared with those of their Madras brethern, the Committee attempt to cut the knot by a remark that "the difference of pay between the Officers of Madras from the corresponding men here is not peculiar to the Excise Department." But I beg leave to ask if this assertion can stand the test of a general application.

In the Revenue Department our Assistant Commissioners and Amildars and even the shekdars under the new scheme, with smaller territorial jurisdictions draw as much pay as their corresponding brethern of Madras, In the Judicial, Our Munsiffs, and Sub-Judges fare no less than those of Madras. In the Forests, and the Public Works Department too, the Madras District and Divisional Officers do not draw higher

higher emoluments than those in Mysore, while in the Medical and in the Educational Departments, the Madras Officers could not hope to vie with our Assistant Surgeons and our school masters. The case of higher officers at the head of Districts and Departments, is different for obvious reasons, their salaries in Madras being based on National grounds; and setting aside the European Civil Service Element, and comparing the salaries of Native Officers, I do not think that the difference in salaries between officers of corresponding rank here and in Madras, is in any way very marked. If any of our Officers are poorly paid as compared with the corresponding men of Madras, they are , the Inspectors of Police and their brethern of Excise. The poor pay of the former has been necessitated by their subordination to the Amildars- a feature peculiar to Mysore-- and in the case of Excise Department; Our Officials have to console themselves with flattering Official designations without the necessary emoluments to keep up the status.

57. Apart from the difference in salary there can be no comparison between these (to use the words of the Indian Excise Committee) " the highly organised combined establish-ment in Madras devoloped in the first instance out of the old salt Deputy Collectors." and the poor staff of Mysore

Mysore. In Madras the Inspectorate is composed of Europeans and educated Natives and even in the Sub-Inspector's ranks are several Graduates and double Graduates who have been attracted to the service by the bright prospects which are in no way inferior to those held out in the other Departments of Government. Possessed of sound education and encouraged by a vast scope for advancement, the Madras Officers work with a degree of intelligence and devotion which must be lacking in our Excise Inspectorate, which, on account of poor pay and still poorer prospects of advancements has failed to attract educated talents.

Again, even as regards the quantum of work it is not reasonable to expect that our Inspectors drawing a fixed allowance of Rs. 20 and 10 hardly enough to maintain a decent animal will be able to move about so rapidly and turn out as much work as the Madras Officers can do with the liberal allowances in the shape of tentage and batta allowed to them. And lastly, in dealing with interdepartmental local problems, it is difficult for the Excise Inspector with his poor pay and low rank to hold his own ground as against the officers of the other Departments, as fearlessly and firmly as the Madras Inspector with the rank and pay of

of a Deputy Collector, could on similar matters.

58. In short it is futile to place our Excise Officers on a par with the corresponding officers of the Madras Presidency and if any comparison may be held at all, it will be appropriate only as between our Officer and an Officer of Madras, one step below the rank indicated by the Official designation that is to say thus:--

Mysore.	Madras.
Deputy Excise Commissioner.	Assistant Commissioners.
Assistant Commissioners.	Inspectors.
Inspectors.	Sub-Inspector.
Assistant Inspector and Sub-Inspectors.	Petty Officer.

59. As observed by the committee it is certainly unfair to institute a comparison with the Presidency of Madras as a whole, not so much because of enormous difference in area, as on account of the fact that in Madras, the establishment is a combined one for salt and Abkari, while here we have only the latter to deal with. It will be therefore more appropriate to take up for purposes of comparison a compact portion of the Presidency free from salt operations and equal in area to Mysore. Such a portion may be found in the area comprising the Districts of Kurnool, Bellary,

Anantapur,

Anantapur, Cuddapah and Chittoor circle which together cover 30000 square miles in area. The comparison becomes all the more appropriate by reason of the Districts forming the bordering tracts of Mysore, and like the latter, being exclusively Date tracts.

60. The details of area, population, Revenue and Excise Staff of the Districts are given below:--

Division and District	Number of Talaks	Area	Population	Excise Revenue Demand 1905-06	Excise Staff					Incidence of Revenue per head of Population	Remarks
					Assistant Commissioners	Inspectors	Sub Inspectors	Petty Officers	Peons		
Bellary Sub. Div.					1						
Bellary	8	5714	947214	844152		2	26	8	149		
Kurnool	8	7578	872055	556646		3	34	15	257		
Anantapur	8	5557	788254	626166		2	19	2	136		
North Arcot Sub Div.					1						
Cudappah	11	8723	1291267	431794		2	23	2	160		
Chittoor Circle	3	2428	471845	341632 x		1	10	2	76		x Exact figure not available. 1/3rd figure taken there being 3 circles in the District.
Total	38	30000	4370635	2800390	2	10	112	29	772	'59 Re	
Mysore.	67	29421	5449800	4051564	8.	43	[illegible]	668		'73 Re	

The foregoing statement shews how a portion of the Madras Presidency adjoining Mysore and covering nearly an

an equal area but possessing a much less population is equipped for the protection of its Excise Revenue, as compared with Mysore. The Districts of Bellary, Kurnool and Anantapur form in themselves a Sub-Division under the control of an Officer who draws a salary of Rs. 800 rising to 1000 a month and may be said to correspond to our Deputy Excise Commissioner; while Cuddapah, Chittoor circle form part of another Sub-Division under an Officer drawing Rs. 900 a month.

For the two portions together which are as big as Mysore, there are besides the Sub-Division Officers above mentioned, 10 circle Officers drawing 250-400 (the same pay as our Assistant Commissioners of whom there are only 8 in number) 112 Sub-Inspectors with duties and salaries corresponding to those of our 43 Range Inspectors; Of peons there are 772, against 556 tree-markers and peons in Mysore.

61. In Madras, Assistant Inspectors are attached only to circles with salt factories and petty Officers known as Jamadars and Duffadars are in charge of Patrol parties. Each Inspector is given from 2 to 5 clerks drawing salaries ranging from 15 to 30, while here a Sub-Inspector on 12-1-15 has been attached as clerk to each Range.

Our Assistant Inspectors on Rs 15 to 25 have no counter-part

counterpart in Madras, they are a little more than the petty Officers and less than the Sub-Inspectors of that Presidency. It will thus be seen how area for area, Mysore is not as strongly equipped with Excise Officers as Madras; and yet, it should be recorded to the credit of our staff that poor as they are, they have been bringing more revenue than their Co-Officers in the adjoining Districts of the Madras Presidency.

62. I now proceed to discuss the proposals formulated by the Committee in view to effecting a reduction in the present expenditure of the Department.

The most important of these proposals are the reduction of the Excise Divisional Assistant Commissioners either wholly or partially, and the abolition of the Deputy Excise Commissionership.

63. The question about the Excise Assistant Commissioners is not a new one. It has more than once been discussed by Government and it was only so recently as in July 1904 that the Government after consulting the Revenue Commissioner and the Deputy Commissioners " accepted their unanimous opinion that no change of the system was required

The correspondence on the subject has been published in extenso. In reply to the enquiry from Government whether the duties of the Assistant Commissioners of Excise Department can be performed by the Revenue Assistant Commissioners without prejudice to the efficiency of the Revenue and Excise Administrations, the Revenue Commissioner in his letter No.5545, dated 6th April 1904 has stated that he agreed with the Deputy Commissioners of Districts in thinking that " under the present condition of things it is not desirable to tackle on the Excise work of the District to the Revenue Assistant Commissioners." And as for my part, having discussed the question completely in

all its bearings, in my letter to Government published in the aforesaid order, I consider it unnecessary to go over the same ground once again. But I may however add that if, as the Revenue Divisions stood constituted two years ago, it was not found feasible to tackle Excise work also to the Revenue Assistant Commissioners, the difficulty has only become enhanced by the recent reorganization of the Revenue Sub-Divisions under which the Sub-Divisions have been expanded in area, so much so that for difficulty of further increasing the work of the Revenue Assistant Commissioners, it has been found necessary to tack on some of the Taluks to the Treasury Assistants and the Deputy Commissioners themselves, though the direct charge of a Taluk by the Deputy Commissioners will place the ryots under a disadvantage in matters of appeal as compared with those of the Taluks under Assistant Commissioners. Again the order of Government No. FL4513-22 / S.R.34-05-4 dated 14th December 1906 just communicated to me, to transfer to the District, the exercise of checks over the details of Excise accounts, and the maintenance of Ledgers formerly kept in the Comptroller's Office and now maintained in my office, will increase the Excise work of the District to no mean extent. Considering the large amount of revenue involved, and the knotty problems relating to collections and remissions raised from time to time, it is necessary to place the Excise

accounts

accounts under as much if not more effective control and scrutiny, as the Land Revenue accounts, and the magnitude of the work involved is in my experience too much to be safely tacked on to the general account Department of the Deputy Commissioner's Office. If the work should be performed satisfactorily it can be done only under the control of a responsible Officer, and I dare say that the Revenue Assistant Commissioner will find it too much for him to undertake the task without prejudice to the Land Revenue and Criminal work imposed on him. Nor will it be possible for one Assistant Commissioner when placed in Excise charge of two Districts, to control the accounts of both the Districts either with justice to their magnitude and importance or without slackening the general control and responsibility of either Deputy Commissioners.

64. The deputation of Land Revenue Officers to Excise work is one of the questions considered by the Indian Excise Committee and on this point the Committee have observed as follows:-

64 " Service in the Excise Department, if properly performed, is harder, more continuous, more tedious and less interesting than in almost any other branch of the public service. It does not offer the same scope for administrative ability or such prospects of advancement as service in the Land Revenue Department, and when an officer is liable to serve in either branch a deputation to Excise tends to make him lose that general

knowledge and training which lead to more profitable and honourable office. Accordingly the attempt to combine the departments which has been made in all the older Provinces has been or is being given up. It will be sufficient to quote the experience of Bengal and the United Provinces. Referring to his Administration Report for 1892-93 to the Special Excise Deputy Collectors the Bengal Commissioner says: " It is hardly to be expected that a special department like excise can be administered with success without an intimate knowledge of a vast amount of details connected with the manufacture of, and trade in, the various articles of excise. To acquire this knowledge is a work of time while it is of little or no use to the officer after he ceases to belong to the department. The duties, on the other hand, are irksome, and involve a considerable amount of outdoor work. Service in the department is therefore by no means popular, and instances are but too frequent of officers leaving no stone unturned to get back to the general line. In the ordinary course they are permitted to revert after a few years of excise work with the result that all this special knowledge goes for nothing while the new men who take their places have to go over the same process of training, and in the meanwhile the work suffers. " In the United Provinces it is recorded in connection with the recent reorganization proposals that fifteen Inspectors have been removed on promotion temporarily or otherwise in two years,

each

each transfer causing a dislocation of the arrangements in several districts. In any arrangement under which one department depends for recruitment upon another the less popular is liable either to become a dumping ground for incompetents or to be officered by a succession of capable but inexperienced men who leave just as they have learnt their work and become useful.

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In their opinion the proper course to pursue is "not to bribe land Revenue officers to undertake unpopular work which they will despise, but to recognise that the work is unpopular and pay for it accordingly and thus establish a close service which will devolope an esprit de corps of its own.

65. And the Committee after discussing several other proposals have stated their conclusions in the following words:-

"The essence of good Excise administration is a well paid and properly recruited preventive staff, incessant inspection both by it and by active controlling officers, the maintenance of the Collector's authority assisted by the special department, and an adequate provision for technical work and for training of technical officers. The combination of all branches of the Excise Department is strongly recommended and amalgamation with cognate department is desirable, but the deputation to Excise work of officers from Departments which possess

superior attractions is to be deprecated. The head of the department should be an officer of standing who should have the power of issuing orders both to the Collectors and to the special staff, and reasonable continuity in the office should be secured. If there is a chief Revenue authority intermediate between the head of the Department and Government, the interference of that authority should be confined to important matters of policy. The Commissioner should have superior subordinates of a standing to carry on settled policy who would afford a recruiting for future heads of the Department. It is desirable at any rate in the large Provinces for officers of the Department to wear uniform so as to enable them to exercise without hindrance the duties conerred on them by the law and to check attempts at personation. The fitting expanditure on establishments depends on many considerations, but prima facie 5 per cent of the revenue is a justifiable charge, and more may be desirable".

66. In this connection I may add that there prevails at present a great diversity in the assignment of duties and responsibilities to the Excise Assistant Commissioner in dealing with the departmental questions in the several Districts. It is hardly 8 months since the full complement of 8 Assistant Commissioners for the 8 Districts was given to me; and the

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question of bringing about a common understanding and uniformity of procedure in the disposal of Excise matters as between the Deputy Commissioners and the Assistant Commissioner has been engaging my consideration for some time past; I have pointed out to the Deputy Commissioners that this should be similar to what obtains in the Police Department and I have been in correspondence with them in this matter. This I find is also the relationship advised also by the Indian Excise Committee who say as follows:- "In Madras the jurisdiction of the Assistant Commissioners are not coterminous with the Collectorates, and while the Assistant Commissioner sees and confers with the Collector the two officers have in actual work less connection with one another than is desirable. The results show themselves on the one hand, an exeass of departmentalism and a tendency among the subordinates to regard -- statistics of cases and revenue as all important, and on the other in diminished sympathy and co-operation of the general revenue staff with the Excise establishment. The proper portion of the controlling officer appears to the Committee to be one analogous to that of the Superintendent of Police. He -- should be subordinate to the Collector in all matters of -- general policy and in constant touch with him, but he should relieve him of all matters of details and should report to

his departmental head on matters of discipline and internal organisation. This is approximately the relation aimed at in the proposals put forward for Bengal and Bombay."

67. Now that final orders have been passed on the maintenance of Excise accounts (on which also depended to a great extent the organisation of the District Clerical staff) I shall, -- should the Government be pleased to allow the number of Asstt. Commissioners undisturbed, proceed to submit final proposals regarding the reorganisation of the District Clerical establish-ment.

68. Next in regard to the Deputy Excise Commissionership, I have no objection to the office being abolished on the retirement of the present incumbent. But I must say that we do necessarily need another officer, who as a specialist in Excise matters will be able to advise the Commissioner and the District Officers on all technical questions of the Department, besides supervising the working of Distillery, the cultivation and preparation of Ganja and other matters requiring a specialist's training. He will be in charge of the Distilleryand training class and conduct all tests and analyses of spurious or illicit articles produced in connection with cases. Such a special officer is all the more necessary when it is remembered how the Excise Assistant Commissioners here are drafted to and taken away from the Department from time to time according to the exigencies of the general service, and cannot therefore claim any technical training or experience in Excise matters such as is possessed by the Madras officers who have devoted their entire service in the Abkari Department. At times we are confronted with knotty questions about European liquor and newly discovered intoxicants, and it necessarily requires a specialist to advise the Department on such matters.

69. It is not however necessary that this special officer

should be so highly paid as Mr. Davy but it depends upon the person selected for the post. Any way there is scope for some savings between 5 to 6 thousand rupees out of this item.

69A In discussing the ways and means for retrenchment of the expenditure, it has been casually suggested for consideration " whether the method of biennial or triennial leases of arrack and toddy and other shops may not again be adopted with advantage both to the Government and the retail Vendor, that such a procedure is believed to lessen the work of the Department to a material extent and that an appreciable reduction in the strength of the subordinate Executive staff may easily be effected ".

The question of replacing the present annual sales by more lengthy leases, has, as a subject brought up at the last Dassara Representative Assembly been referred to me for report and I shall report on the subject in due course after explaining the situation clearly to and taking the sense of the District officers. For purposes of the present question, it is sufficient to say that I am not in favor of the general adoption of the proposed change; and even if any modification be adopted that in itself will not lessen the work of the subordinate Executive officers to such

70. The point has also been discussed by the Indian Excise Committee in the following words:-

" A measure which has been sometimes recommended but as to the advantages of which the Committee are doubtful, is the disposal of privileges for a term of years. It is claimed for this arrangement that it would have the advantages of lessening unhealthy competition, of freeing the shopkeeper from immediate pressure to make a profit and of giving him a greater inducement to respectable management. On the other hand, even if the competition were reduced by the exclusion of all but men of capital (which is not always a desirable end in itself), the competition among them for a valuable privilege might be even greater than before, while the danger of forced sales might only be postponed to the end of the term. Such an arrangement would also involve the abandonment of one of the chief advantages of the yearly auction system, namely that under it the Government demand responds readily to changes in the prosperity of the drinking classes. Under any system of disposal a lease for a term of years tends to check necessary increases in the still-head duty and it might similarly affect

not disproportionate either as to actual requirements or as compared with the menial Establishment of the other Head Quarter offices of similar status, to wit, the Revenue Commissioner's office and the Forest Conservator's Establishment.

74. The next item taken up for consideration is the temporary Establishment of the District offices costing Rs.240 a year. This Establishment consists of 7 clerks (costing Rs. 1200) and 17 peons (costing Rs. 1224). As regards the latter, I beg to point out that in accordance with Government Proceedings No. Fl. 7482-83/S.R. 99-05-4 dated 5th May 1906 the staff has been dispensed with and the savings has been otherwise appropriated for the menial Establishment required for the newly sanctioned two Assistant Commissioners for Hassan and Chitaldrug Districts at a total cost of Rs. 96 per month or 1152 a year, the remaining Rs. 72 being brought under savings. Regarding the clerical Establishment, the matter may be considered in connection with a general organisation of the Excise Clerical Establishment of the District offices, which has been necessitated by the transfer to the District of certain detailed accounts, now maintained in my office.

75. To summarize the proposals finally put forth by the

1. A reduction of the menial Establishment of the Excise Commissioner's office by 5 peons.....Rs. 420.

2. Abolition of the Deputy Excise Commissionership.....Rs. 10,900.

3. Abolition of the Temporary Establishment of Deputy Commissioners.....Rs. 2,400.

4. Reduction of the Divisional Officers from 8 to 4 doing away with the allowance to Kolar Divisional Officer.....Rs. 15,120.

5. Reduction in Travelling allowances.....Rs. 3, 500.

6. Abolition of 6 ProbationaryInspectors....Rs. 2, 520.

7. Reduction of Executive Menial Establishment by 50 peons.....Rs. 3, 600.

8. Reduction in the allotment for uniform...Rs. 6, 000.

9. Remuneration to carriage and distribution of liquor.....Rs. 50000.

Total Rs. 94, 660.

Anticipated reduction in shop rental....Rs, 50, 000.

Net...Rs, 44,660.

76. I leave item No.1 to be disposed of at the discretion of the Committee.

77 Item No.2. The Deputy Excise Commissionership may be replaced by a less costly appointment. A savings of Rs.5000 may be anticipated thereby.

78. Item No.3. The temporary establishment of the District Offices will, in the reorganization of the District Excise establishment, be absorbed. The present Excise establishment of the Deputy Excise Commissioner and the District Officers put together cost Rs.14004 a year as detailed below:-

Deputy Excise Commissioner's Office-----	Rs.1296
Assistant Commissioner's Office----------	5856
District Offices Permanent and Temporary ----------	6852
Total	14004

By combining the Deputy and the Assistant Commissioner's establishments and placing the whole in charge of the Divisional Officer as assistant to the Deputy Commissioner in the Excise Department, I can safely guarantee a reduction of the cost by Rs.2000 a year. I shall formulate and submit detailed proposals in due course; but this sum may be counted upon as a possible reduction in the expenditure.

Item

79. Item No. 4. I am opposed to any reduction in the number of Divisional Officers. The local and House rent allowances of the Kolar Assistant Commissioner may be brought under reduction, in case the Government should consider that Assistant Commissioner's residence in the Fields is not necessary to protect the large Excise interest involved in that City.

80. Item No. 5. will vary with the extent of touring actually done. It is not possible, nor expedient to ~~limit~~ limit it to a fixed sum.

81. Item No. 6. is not worth being disturbed,.

The abolition of the six Probationary Inspectors is a very undesirable measure. The creation of the intermediate grade of officers was especially intended to promote facility of work in two ~~ways~~ very important respects. It has answered both these purposes most satisfactorily. The first of these was to remove cause for delay in marking which has been a boon to the lessee. The second of these was to prevent delays in prosecution of cases. These advantages have been clearly explained in letter to Government No.39 dated 31st July / 4th August 1905. These officers are invested with powers under Section 12 and with powers under Chapter VIII of the Excise Regulation. The ordinary Assistant Inspectors have

have been originally recruited from among the old officials transferred to the Excise establishment in the earlier organization of the Department, from the Revenue Department and from the body of Ameens of old Vend Farmers when the system of farming large areas was discontinued, and they are not sufficiently educated or acquainted with the law and procedure to investigate or prosecute cases. They have not been very serviceable for such purposes. Besides it is not quite safe or satisfactory to leave any unchecked or unwatched responsibility in the hands of these ill paid officials. The general improvement of this body is a matter of considerable time and heavy expenditure of money. It was therefore that the stations where a superior class of ---- officers was absolutely required, were selected and without incurring additional expenditure, opportunity was taken of retirements of old officials and their pay and allowances were utilized to create this new staff. Government sanctioned the proposal and the scheme has been carried out. The proposal for the abolition of the ordinary Assistant Inspectorships was misunderstood as a proposal to do away with a superfluous agency, and this misconception has been further explain already. They are were done away to find provision for the improved ~~improved~~ set of officers. The abolition of these Probationary

Probationary Inspectorships will cause serious inconvenienc to work. The designation was adopted to distinctly point out to this body as the field for selection of Inspectors and as the intermediate position which an ordinary Assistant Inspector found intelligent, reliable and qualified should aspire to as a stepping stone to Inspectorships. These Probationary Inspectors therefore should be left undisturbed. Retrenchment can be effected by doing away with the Ganja and Patrol esatblishments costing Rs.948 and 1068 repectively and effort may be made to get on with these duties by some re-arrangement of the permanent staff.

82. Item No. 7. The proposed reduction of Rs.6000 may be effected.

83. Item No. 8. Regarding the last item of Rs.50000 the Committee have anticipated a reduction of an equal sum in shop rental as a necessary consequence of the change proposed. So financially it is not profitable. As to the principle involved, I have already explained at some length the history and advantages of the present system and pointed out how a change is not expedient. On the other hand the cost may be reduced by at least Rs.15000 by adopting other arrangements as suggested in para 18 supra.

84. To conclude, I am prepared to advocate a reduction of expenditure

expenditure in the following respects:-

1. Deputy Excise Commissionership.....	Rs. 5000
2. District Establishment.....	2000
3. Ganja Establishment (Temporary).....	948
4. Kolar Patrol Party (Temporary).....	1068
5. Allowances to Koalar Assistant Commissioner and establishment.....	1368
6. Uniforms.....	6000
7. Cost of carriage and distribution of liquor.....	15000
Total	Rs.31384

or Rs.32000 at the most.

85. Per contra a large addition to, of over a Lac of Rupee to the Excise Revenue may be anticipated by raising the Tree-Tax on Date and Bagani trees as explained in para 46. supra.

Excise Commissioner

in Mysore.

(3)

Proceedings of the Government of H.H. the

the Maharajah of Mysore

Read:-

Memorandum on the possibilities of retrenchment and improvement of revenue i the Excise Department, submitted by the Committee appointed in Government Order No.FI.7156-211 dated the 30th April 1906.

.....

Order thereon No. JC9243-54 / S.R 145-06-7 & 15 June/07

The Committee's proposals as originally framed related to the following matters:-

(i) The feasibility of enhancing t duty on arrack and the retail price ther of from Rs.4-12-0 to Rs.5-0-0 and from Rs.6-6-0 to Rs.7-7-0 per gallon respectively.

(ii) The raising of the tree tax on date trees from Re.1 to Rs.1-8-0 and on Sendi trees from Rs.1-8-0 to Rs.2 p tree.

(iii) The recovery of the cost of carrying liquor from the Distillery to Bonded Depots from the arrack lessees instead of charging it ~~off~~ as Government expenditure.

(iv) Retrenchment of expenditure ~~in on the cost of~~ excise establishments.

2. First, as regards the enhancement of the duty on arrack and of its retail price, the Committee, after considering the views expressed by the Excise Commissioner, agree with him, that it is inadvisable to introduce any change at this stage, and recommend that the question may be reserved for consideration after the Government of India shall have reviewed and passed orders on the Report of the Indian Excise Committee in which it ~~there~~ has also been dealt with. The enhancement of duty ~~or re~~ and the increase in retail price being ~~a matter fraught with important consequences, as affecting~~ matters which will materially affect both consumption and the State revenue, to Government,

Government concur in the opinion of the Committee, and reserve the question for future consideration.

3. The Committee consider it also undesirable to make any large addition to the tree-tax and bring it up to the scale obtaining in the Districts of Madras or to unduly enhance the prime cost of toddy, lest it should lead to consumers resorting more largely to the more deleterious arrack. Agreeing with the Excise Commissioner they recommend instead that the tax on date trees be raised from Re.1/- to Rs.1-4-0 and that on Bagani from Rs.1-8-0 to Rs.2 per tree (the Madras rate on Bagani being Rs.3 per tree). While in the case of cocoa-nut, Palmyra and Dadasal, the tree tax need be increased only by the amount of the present local cess, and that the levy of a local cess - a feature peculiar to Mysore - may be abolished, 1/17th of the tree-tax and rental collected being credited to Local Funds in lieu of the proceeds of the cess.

In regard to levy of local cess on tree tax and on shop rental it has to be noted that this system does not prevail in any province in British India. The cess on Toddy shop rental was introduced only from the commencement of the current official year and has not been extended to rentals of arrack shops or shops for the sale of intoxicating drugs. The Government Order of 7th April 1904, No.Fl.668-77-Ex.F.6-02, sanctioning the separate levy of local cess on the rental of toddy shops, was passed three years ago, but was not given effect to till last year, as it was feared that the separate levy would discourage contractors and affect the rental prejudicially. ~~1/17~~ one-seventeenth of the shop rental has however been credited to Local Funds in the 2 years 1904-05 and 1905-06.

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S.R.22-04. Sl.13. Filed March 1905.

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Fl.5892-3/S.R.92-04-3 dated 7th March 1905.

The amalgamation of the local cess with tree tax will, it is expected, tend to a further simplification of the accounts as sanctioned in the recent order of 14th December 1906 and will also no doubt be much appreciated by the contractors themselves.

Under this scheme neither the General Revenues nor the Local Funds will suffer by the abolition of the local cess as a separate levy. On the other hand both will benefit as the result of the raising of the tree tax, as will be seen from the statement given below:-

	Date.	Bagani.	Total.
No. of trees tapped.	4,61,932	15,830	4,77,962
Tree tax at present rate.	4,61,932	23,745	4,85,677
Shop rental (average) ~~(a)~~	11,43,522	23,271	11,66,793
A. Present total State Revenue. ~~(c)~~	1605,454	47,016	16,52,470
Cess at one anna on tree tax.	28,871	1,484	30,355
Cess on rental. ~~(f)~~	71,470	1,454	72,924
B. Present Local Funds Revenue.	100,341	2,938	103279
C. Total. (A+B)	17,05,795	49,954	17,55,749
Tree tax at Rs.1-4-0 on ~~(c)~~ date and Rs.2 on Bagani.	5,77,415	31,660	6,09,075
~~Shop rental average~~	11,43,522,	23,271	11,66,793
C'. ~~Total~~ - ~~(c)~~	17,20,937	54931	17,75,868
~~(e)~~ ~~Deduct~~ 1/17th of tree tax.	~~(d)~~ 33,965	1,862	35,827
~~(b)~~ ~~Deduct~~ 1/17th on average ~~(a)~~ shop rental.	~~(a)~~ 67,266	1,369	68,635
B' ~~(a)+(b)~~ Future Local Funds Revenue.	1,01,231	3 231 ~~3,229~~	1,04,462
A' Future total State Revenue (C'-B')	16,19,706	57,700	16,71,406

Net result.

C'-C ~~(A')-(A)~~ = 17,75,868 (Future total revenue including L.7ds portion
17,55,749 (Present total revenue including L.7ds)
20,119 ~~Revenue~~ Total increase in revenue.

B'-B ~~(a)+(f)~~ = 1,04,462 Future revenue of L.7ds (a+f).
~~e+f~~ 1,03,279 - Present revenue of L.7ds (e+f)
1,183 Local cess increase.

A'-A. 16,71,406. Future revenue creditable to Provincial 7ds
16,52,470. Present revenue creditable to Provincial 7ds
18,936 Increase in Provincial revenue.

After careful consideration of all the circumstances and for the reasons above stated, Government accept the recommendations of the Committee and of the Excise Commissioner, and accordingly direct, with effect from the official year 1907-08;

(i) that the tree tax on date trees be raised from Re.1 to Rs. 1-4-0 per tree and the tree tax on Bagani trees from Rs.1-8-0 to Rs.2 per tree;

(ii) that the separate levy of a local cess on tree tax be abolished and the cess at present levied be merged in the main item, the rates of tree tax on the various kinds of trees being as follows:-

Date.	Rs.1-4-0.
Bagani.	Rs.2-0-0.
Cocoanut.	Rs.2-2-0.
Palmyra.	Rs.1-9-6.
Dadasal.	Rs.0-8-6;

(iii) that the levy of a local cess on toddy shop rental be abolished;

(iv) that in order to secure uniformity and simplification of accounts the cess on tree rent be also merged in the main item itself and the total amount of 0-4-3 per tree be credited to Government;

(v) that 1/17th of the tree tax, ~~and~~ the shop rental, and tree rent collected be credited to Local Funds in lieu of the one anna cess now levied on tree tax ~~and~~ shop rentals and tree rent;

(vi) and that the adjustment of the contributions to Local Funds as above be made quarterly by the Comptroller in communication with the Excise Commissioner and the Presidents of the District Boards.

5. The Excise Commissioner is requested to take very early steps to submit the necessary draft Notifications regarding the modifications required in the existing rules and to give due publicity to the above changes before the annual leases of shops for the next year are sold.

Ruled:-
The portion within the brackets is omitted as Rent Inhibition has also been imposed in the Sale, and is not given effect to.
14/6/47 Secretary
Secretary 14/6/47

6. The question of recovering the cost of carrying arrack from the Central Distillery to the Bonded depots, from the licensees, instead of the Government bearing the charge, has been fully discussed both by the Committee and the Excise Commissioner. It is not considered desirable to change the present system of getting arrack transported at Government cost, but the Excise Commissioner is in hopes that with reserving to Government greater control over bonded warehouses and by rearranging the routes, a nett savings of Rs.15,000 may be secured in the cost of transport.

The Excise Commissioners ~~will be requested to send in~~ proposals ~~for securing~~ greater control over the bonded warehouses and also modifying the terms of the contract for transporting arrack in proper time, so that the system, which is estimated to bring in a savings of Rs. 15,000, may be introduced from next year (1907-08).

7. The chief proposals under the head of "Retrenchment of expenditure" are those relating to the abolition of the appointment of Deputy Excise Commissioner and a reduction in the number of Divisional Officers.

The Excise Commissioner agrees to the abolition of the former post on the retirement of the present incumbent, but adds that it may be necessary to appoint a specialist on smaller pay to take charge of the Distillery and Training class, to supervise the cultivation and preparation of Ganja &c.,and generally to advise on all technical questions connected with the working of the Department. The Committee, however, recommend that the question of appointing a specialist in place of Mr. Davy may be deferred for the present, that the Head Quarter office Assistant or the Bangalore Divisional Officer may conveniently be in charge of the Distillery, and that the supervision of the cultivation and preparation of Ganja &c., may be entrusted to the several Divisional Officers themselves.

Government agree with the Committee and direct that with the retirement

of Mr. Davy, the appointment of Deputy Excise Commissioner be abolished. The Distillery will, pending the appointment of a specialist, be placed directly under the charge of the Excise Commissioner, who will be assisted by his head quarter assistant and the Excise Divisional Officer Bangalore; and the supervision of Ganja plantations&c will be entrusted to the local Divisional Excise Officers ~~of the locali~~

6. The Excise Commissioner is opposed to any reduction in the number of Divisional Officers on the ground that an Assistant to the Deputy Commissioner in the Excise Department for each District is necessary for the security of the revenue under the tree tax system, which is so much dependent on constant and efficient supervision of groves and trees. He adds that there prevails at present a great diversity in the assignment of duties and responsibility to the Excise Assistant Commissioner in

dealing with the departmental questions in the several Districts, and that steps are being taken to bring about a common understanding and uniformity of procedure in the disposal of excise matters as between the Deputy & Assistant Commissioners.

The Committee recommend that the Excise Commissioner's opinion may be accepted provisionally, that no reduction in the number of officers need be effected at this stage, and that his proposals regarding the re-organization of the District clerical staff (Excise Branch) in view to re-arranging the Excise Department on the lines enunciated by the Indian Excise Committee in para 286 of their report, may be awaited.

R

The Government consider that the Deputy Commissioner should be primarily responsible for the Excise administration of the District; and that the Divisional Excise officer, who will in future be called the District Excise Officer, should be his Assistant in the Excise Department.

They are disposed to agree that it may cause inconvenience at this stage, when the new system has not been long in operation, to reduce the number of District Excise Officers, which has been temporarily fixed at eight in Government Order No.Fl.3732-3-S.R.61-05-3 dated the 12th December 1905. But Government are at the same time by no means convinced that the District Officers need in all cases be of the status and rank of Assistant Commissioners, or that officers on lower pay and of the status of Amildars will not suffice for dealing with the work, which is admittedly light in most Districts, and particularly so in those of Tumkur, Kadur Hassan and Chitaldrug. The staff of District Excise Officers will accordingly consist of 4 officers of the status of Assistant Commissioners, and 4 of the status of Amildars, the latter being given an allowance of Rs.50 in addition to their grade pay as Amildars. By this arrangement there will be a saving of Rs. 4,800 per annum as shown below:-

Pay of 4 officers of the grade of Asstt: Commrs: on a pay ranging between Rs.250 and 450 or on an average Rs.350.	Rs.1,400 p.m
Pay of 4 officers of the grade of Amildars on a pay ranging between Rs.150 and Rs.250 or on an average Rs.200 plus an allowance of Rs.50.	1,000
Difference.	400
Savings per annum	4,800

9. In regard to the other minor items of retrenchment, viz., (i) the abolition of the establishment of the Deputy Excise Commissioner and of the temporary establishments attached to Districts, (ii) the abolition of the local allowance and house rent at present given to the Kolar Divisional Officer and his establisment and (iii) the reduction in the allotment for uniform, the Committee and the Excise Commissioner are generally in agreement.

As regards No.(i), the Excise Commissioner states that by combining the Deputy and Assistant Commissioners' establishments and placing the whole in charge of the District Excise Officer as Assistant to the Deputy Commissioner in the Excise Department he can safely

guarantee a reduction of the cost by Rs.2,000 a year, that he will formulate and submit detailed proposals in due course and that this sum may be counted upon as a possible reduction in the expenditure. Added to this the Committee expect that a reduction in the account and stores branch of the Excise Commissioner's Office to the extent of an additional sum of Rs.2,000 may be secured as the result of the simplification of the account work in that office ~~by~~ under the recent orders of the 14th December 1906.

The Committee have not made any specific recommendations as to how the savings of Rs.4,000 in the cost of the clerical staff is to be realized and what posts in the Excise Commissioner's Office and the Districts are to be abolished.

Government concur with the Committee

that the re-arrangement of the clerical staff of his office and that of the Districts may be left to the Excise Commissioner who is requested to reduce by absorption the establishment of the Deputy Excise Commissioner costing Rs. 1,200 per annum, reduce the accounts & stores branch of his own office to the minimum compatible with efficiency under the altered conditions of maintaining accounts and submit at a very early date proposals for re-organising the District clerical staff. The minimum savings of Rs.4,000 per annum will be taken into account in the Budget for the ensuing year.

10. The house rent and the local allowance to the Kolar ~~Divisional~~ District Officer (as well as that of his establishment) will be abolished with effect from the 1st July 1907, simultaneously with the

change of his head quarters from the Gold Fields to Kolar, which is th necessary consequence of the ~~proposed~~ re-arrangement of the District Excise staff as now approved.

11. In regard to the proposed reduction of allotment under "uniform" from Rs.12,000 to Rs.6,000 which has been accepted by the Excise Commissioner, Government agree with the Committee that the supply of uniforms be limited to one suit per annum or 2 suits every two years as in the Police and Forest Departments and that sandals be substituted for boots, the annual allotment being reduced by Rs.6,000.

12. Lastly agreeing with the Excise Commissioner and the Committee, Government direct that the temporary Ganja establishment and the Kolar patrol party costing Rs.2,016 per annum be ~~pensed with, with effect from 1st July 1907.~~ at the end of the present financial year.

13. The financial effects of the foregoing measures, are an improvement of the revenue to the extent of Rs. 20,000 and a reduction of the expenditure by nearly Rs. ~~36,000~~ 42,000, as shown below:

	Rupees.
I. Improvement of Revenue.	
(i) Enhancement of tree tax on date trees from Re.1 to Rs.1-4-0 and on Bagani trees from Rs.1-8-0 to Rs.2 per tree, the local cess on tree tax and shop rental being abolished.	20,000
II. Decrease of expenditure.	
(a) Under remuneration to contractors for carrying liquor.	15,000
(b) Under excise establishments	
(i) Abolition of the Deputy Excise Commissionership, Rs.800 x 12 =	9,600
(ii) Reduction in the clerical staff of the office of the Excise Commissioner and the Districts after re-organization.	4,000
(iii) Abolition of the local allowances to the Kolar Divisional Officer and his establishment.	1,368
(iv) Reduction in the allotment on account of uniforms.	6,000

Rupees.

(v) Abolition of the temporary Ganja Establishment and Kolar patrol party:-

Ganja. 2 Inspectors (25) & (20).)
Horse allowance 2 (10).) 79 x 12
Peons 2 (7).

Kolar Patrol Party.

1 Assistant Inspector 35)
Horse allowance 10) 89 x 12.
6 peons 2(8) & 4(7).)

2,016.

~~57,984.~~

Secretary to Government.

To
The Excise Commissioner in Mysore
The Deputy Commrs of Districts.
The Comptroller
The Dr. of Prisons.

14. The Govt are, in conclusion, of opinion that the charge of the Prisons Dept (now held by the Head of the Medical Dept) should be tackled on to the Excise Commr as Inspector General of Stills, when next there is a change of incumbents, the pay of the combined appointments being limited to Rs 1400 as at present. Now that the Excise Dept has been thoroughly re-organised, and the treetax system placed on a stable basis and a regular code of regulations and rules has been framed for the administration of the Dept, the duties of the Excise Commr and Dr. of Prisons are comparatively light, and it is considered that he can well undertake the additional duties of the Inspr General of Prisons.

READ—

Memorandum on the possibilities of retrenchment and improvement of revenue in the Excise Department, submitted by the Committee appointed in Government Order No. Fl. 7166-211, dated the 30th April 1906.

No. FL. 9243-54—S. R. 145-06-1, DATED BANGALORE, 15TH JUNE 1907.

ORDER THEREON.—The Committee's proposals as originally framed related to the following matters:—

(i) The feasibility of enhancing the duty on arrack and the retail price thereof from Rs. 4-12-0 to Rs. 5-0-0 and from Rs. 6-6-0 to Rs. 7-7-0 per gallon, respectively.

(ii) The raising of the tree-tax on date trees from Re. 1 to Rs. 1-8-0 and on bagani trees from Rs. 1-8-0 to Rs. 2 per tree.

(iii) The recovery of the cost of carrying liquor from the Distillery to Bonded Depots from the arrack lessees instead of charging it as Government expenditure.

) Retrenchment of expenditure on Excise establishments

2. First, as regards the enhancement of the duty on arrack and of its retail pri[ce] the Committee, after considering the views expressed by the Excise Commissio[ner] agree with him that it is inadvisable to introduce any change at this stage, and recommend that the question may be reserved for consideration after the Government of India shall have reviewed and passed orders on the report of the Indian Excise Committee, in which it has also been dealt with. The enhancement of duty and the increase in retail price being matters which will materially affect both consumption and the State Revenue, Government concur in the opinion of the Committee and reserve the question for future consideration.

3. The Committee consider it also undesirable to make any large addition to the tree-tax and bring it up to the scale obtaining in the districts of Madras or to unduly enhance the prime cost of toddy, lest it should lead to consumers resorting more largely to more deleterious arrack. Agreeing with the Excise Commissioner, they recommend instead that the tax on date trees be raised from Re. 1 to Rs. 1-4-0 and on bagani from Rs. 1-8-0 to Rs. 2 per tree (the Madras rate on bagani being per tree); while in the case of cocoanut, palmyra and dadasal the tree-tax n[ot] the levy of a l[ocal] increased only by the amount of the present local cess, and that the tree-tax ar[ising] from the levy of local cess—a feature peculiar to Mysore—may be abolished, $\frac{1}{17}$th of rent collected being credited to Local Funds in lieu of the proceeds of the cess.

In regard to levy of local cess on tree-tax and on shop rental, it has to be noted that this system does not prevail in any Province in British India. The cess on toddy shop rental was introduced only from the commencement of the current official year and has not been extended to rentals of arrack shops or shops for the sale of intoxicating drugs. The Government Order of the 7th April 1904, No. Fl. 668-77—Ex. F-02, sanctioning the separate levy of local cess on the rental of toddy shops, was passed three years ago, but was not given effect to till last year, as it was feared that the separate levy would discourage contractors and affect the rental prejudicially. One-seventeenth of the shop rental has, however, been credited to Local Funds in the two years 1904-05 and 1905-06.

The amalgamation of the local cess with tree-tax will, it is expected, tend to a further simplification of the accounts as sanctioned in the recent order of 14th December 1906 and will also no doubt be much appreciated by the contractors themselves.

Under this scheme neither the general revenues nor the Local Funds will suffer by the abolition of the local cess as a separate levy. On the other hand, both will benefit as the result of the raising of the tree-tax, as will be seen from the statement given below :—

		Date	Bagani	Total
	Number of trees tapped ...	461,932	15,830	477,962
		Rs.	Rs.	Rs.
	Tree-tax at present rate ...	4,61,932	23,745	4,85,677
	Shop rental (average) ...	11,43,522	23,271	11,66,793
A	Present total State Revenue ...	16,05,454	47,016	16,52,470
	Cess at one anna on tree-tax ...	28,871	1,484	30,35[illegible]
	Cess on rental ...	71,470	1,454	72,9[illegible]
B	Present Local Funds Revenue ...	1,00,341	2,938	1,03,9[illegible]
C	Total (A+B) ...	17,05,795	49,954	17,[illegible]49
	Tree-tax at Rs. 1-4-0 on date and Rs. 2 on bagani ...	5,77,415	31,660	[illegible]9075
	Shop rental average ...	11,43,522	23,271	11,66[illegible]
C′	Total ...	17,20,937	54,931	17,[illegible]868
	One-seventeenth of tree-tax ...	33,965	1,862	35,827
	Do on average shop rental...	67,266	1,369	68,635
B′	Future Local Funds Revenue ...	1,01,231	3,2[illegible]	1,04,462
A′	Future total State Revenue(C′—B′)	16,19,706	[illegible]1,700	16,7[illegible],406

Net result—

	Rs.	
C′—C	17,75,868	(Future total revenue including *Local F[illegible]s* portion.)
	17,55,749	(Present total revenue including *Local F[illegible]s*.)
	20,119	Total increase in *revenue*.
B′—B	1,04,462	(Future revenue of Locally [illegible]*unds*.)
	1,03,279	(Present revenue of Loc[illegible] unds.)
	1,183	Local Cess inc[illegible]ase.
A′—A	16,71,406	(Future revenue creditab[illegible] to Provincial
	16,52,470	(Present revenue creditable to Provincial Fu[illegible]
	18,936	Increase in Provincial [illegible]enue.

After careful consideration of all the circumstances and for the reasons adduced, Government accept the recommendations of the Committee and of the Excise Commissioner, and accordingly direct, with effect from the official year 1907-08,—

(*i*) that the tree-tax on date trees be raised from Re. 1 to Rs. 1-4-0 per tree and the tree-tax on bagani trees from Rs. 1-8-0 to Rs. 2 per tree;

(*ii*) that the separate levy of a local cess on tree-tax be abolished and the cess at present levied be merged in the main item, the rates of tree-tax on the various kinds of trees being as follows :—

	Rs.	a.	p.		Rs.	a.	p.
Date	1	4	0	Palmyra	1	9	6
Bagani	2	0	0	Dadasal	0	4	6
Cocoanut	2	2	0				

(*iii*) that the levy of a local cess on toddy shop rental be abolished;

(*iv*) that, in order to secure uniformity and simplification of accounts, the cess on tree-rent be also merged in the main item itself and the total amount of Re. 0-4-3 per tree be credited to Government;

(*v*) that after this, $\frac{1}{77}$th of the tree-tax, the shop rental and tree-rent collected be credited to Local Funds in lieu of the one-anna cess now levied on tree tax, shop rental and tree rent;

(*vi*) and that the adjustment of the contributions to Local Funds as above be made quarterly by the Comptroller in communication with the Excise Commissioner and the Presidents of the District Boards.

5. The Excise Commissioner is requested to take very early steps to submit the necessary draft notifications regarding the modifications required in the existing rules.

6. The question of recovering the cost of carrying arrack from the Central Distillery to the Bonded Depots from the Licensees, instead of the Government bearing the charge, has been fully discussed both by the Committee and the Excise Commissioner. It is not considered desirable to change the present system of getting arrack transported at Government cost, but the Excise Commissioner is in hopes that, with reserving to Government greater control over Bonded Warehouses and by re-arranging the routes, a net savings of Rs. 15,000 may be secured in the cost of transport.

The Excise Commissioner's detailed proposals in the matter are under the consideration of Government.

7. The chief proposals under the head of "Retrenchment of Expenditure" are those relating to the abolition of the appointment of Deputy Excise Commissioner and a reduction in the number of Divisional Officers.

The Excise Commissioner agrees to the abolition of the former post on the retirement of the present incumbent, but adds that it may be necessary to appoint a specialist on smaller pay to take charge of the Distillery and Training class, to supervise the cultivation and preparation of ganja, etc., and generally to advise on all technical questions connected with the working of the Department. The Committee, however, recommend that the question of appointing a specialist in place of Mr. Davy may be deferred for the present, that the Head-quarter Office Assistant or the Bangalore Divisional Officer may conveniently be in charge of the Distillery and that the supervision of the cultivation and preparation of ganja, etc., may be entrusted to the several Divisional Officers themselves.

Government agree with the Committee and direct that, with the retirement of Mr. Davy, the appointment of Deputy Excise Commissioner be abolished. The Distillery will, pending the appointment of a specialist, be placed directly under the charge of the Excise Commissioner, who will be assisted by his Head-quarter Assistant and the Excise Divisional Officer, Bangalore; and the supervision of ganja plantations, etc., will be entrusted to the local Divisional Excise Officers.

8. The Excise Commissioner is opposed to any reduction in the number of Divisional Officers on the ground that an Assistant to the Deputy Commissioner in the Excise Department for each district is necessary for the security of the revenue under the tree-tax system, which is so much dependent on constant and efficient supervision of groves and trees. He adds that there prevails at present a great diversity in the assignment of duties and responsibility to the Excise Assistant Commissioner in dealing with Departmental questions in the several districts, and that steps are being taken to bring about a common understanding and uniformity of procedure in the disposal of Excise matters as between the Deputy and Assistant Commissioners.

The Committee recommend that the Excise Commissioner's opinion may be accepted provisionally, that no reduction in the number of Officers need be effected at this stage, and that his proposals regarding the re-organization of the district [illegible] staff (Excise Branch) in view to re-arranging the Excise Department on

lines enunciated by the Indian Excise Committee in para 286 of their report may awaited.

The Government consider that the Deputy Commissioner should be prima responsible for the Excise administration of the district; and that the Divisic Excise Officer, who will in future be called the District Excise Officer, should be Assistant in the Excise Department. They are disposed to agree that it may ca inconvenience at this stage when the new system has not been long in operation, reduce the number of District Excise Officers, which has been temporarily fixed 8 in Government Order No. Fl. 3732-3—S. R. 61-05-3, dated the 12th Decem 1905. But Government are at the same time by no means convinced that District Officers need in all cases be of the status and rank of Assistant Commissi ers, or that Officers on lower pay and of the status of Amildars will not suffice lealing with the work, which is admittedly light in most districts, and particula so in those of Tumkur, Kadur, Hassan and Chitaldrug. The staff of District Exc Officers will accordingly consist of 4 Officers of the status of Assistant Commissic ers, and 4 of the status of Amildars, the latter being given an allowance of Rs. in addition to their grade pay as Amildars. By this arrangement there will be savings of Rs. 4,800 per annum as shown below:—

Pay of 4 Officers of the grade of Assistant Commissioners on a pay ranging between Rs. 250 and 450 or on an average Rs. 350	Rs. 1,400	per mense
Pay of 4 Officers of the grade of Amildars on a pay ranging between Rs. 150 and Rs. 250 or on an average Rs. 200 *plus* an allowance of Rs. 50	1,000	do
Difference	400	do
Savings per annum	4,800	do

9. In regard to the other minor items of retrenchment, *viz.* (i) the abolition o the establishment of the Deputy Excise Commissioner and of the temporary establishments attached to districts; (ii) the abolition of the local allowance and house rent at present given to the Kolar Divisional Officer and his establishment and (iii) the reduction in the allotment for uniform, the Committee and the Excise Commissioner are generally in agreement.

As regards No. (1), the Excise Commissioner states that by combining the Deputy and Assistant Commissioners' establishments and placing the whole in charge of the District Excise Officer as Assistant to the Deputy Commissioner in the Excise Department, he can safely guarantee a reduction of the cost by Rs. 2,000 a year, that he will formulate and submit detailed proposals in due course and that this sum may be counted upon as a possible reduction in the expenditure. Added to this the Committee expect that a reduction in the Account and Stores Branch of the Excise Commissioner's Office to the extent of an additional sum of Rs. 2,000 may be secured as the result of the simplification of the account work n that office under the recent orders of the 14th December 1906.

The Committee have not made any specific recommendations as to how the savings of Rs. 4,000 in the cost of the clerical staff is to be realised and what posts in the Excise Commissioner's Office and the districts are to be abolished.

Government concur with the Committee that the re-arrangement of the clerical staff of his office and that of the districts may be left to the Excise Commissioner who is requested to reduce by absorption the establishment of the Deputy Excise Commissioner costing Rs. 1,296 per annum, reduce the Accounts and Stores Branch of his own office to the minium compatible with efficiency under the altered conditions of maintaining accounts and submit at a very early date proposals for re-organising the district clerical staff. The minimum savings of Rs. 4,000 per annum will be taken into account in the budget for the ensuing year.

10. The house rent and the local allowance to the Kolar District Excise Officer (as well as that of his establishment) will be abolished with effect from the

1st July 1907, simultaneously with the change of his Head-quarters from the Gold Fields to Kolar, which is the necessary consequence of the re-arrangement of the District Excise staff as now approved.

11. In regard to the proposed reduction of allotment under "Uniform" from Rs. 12,000 to Rs. 6,000 which has been accepted by the Excise Commissioner, Government agree with the Committee that the supply of uniforms be limited to one suit per annum or to suits every two years as in the Police and Forest Departments and that sandals be substituted for boots, the annual allotment being reduced by Rs. 6,000.

12. Lastly agreeing with the Excise Commissioner and the Committee, Government direct that the temporary Ganja establishment and the Kolar Patrol Party costing Rs. 2,016 per annum be dispensed with at the end of the periods for which they have been sanctioned.

13. The financial effects of the foregoing measures are an improvement of the revenue to the extent of Rs. 20,000 and a reduction of expenditure by nearly Rs. 42,800 as shown below:—

		Rs.
I.	*Improvement of revenue.*—	
(i)	Enhancement of tree-tax on date trees from Re. 1 to Rs. 1-4-0 and on Bagani trees from Rs. 1-8-0 to Rs. 2 per tree, the local cess on tree-tax and shop rental being abolished ...	20,000
II.	*Decrease of Expenditure.*—	
(a)	Under remuneration to contractors for carrying liquor	15,000
(b)	Under Excise Establishments (i) Abolition of the Deputy Excise Commissionership, Rs. 800×12	9,600
	Replacing four Officers of the grade of Assistant Commissioners by an equal number of Officers of the grade of Amildars with an allowance of Rs. 50 per mensem	4,800
(ii)	Reduction in the clerical staff of the office of the Excise Commissioner and the districts after re-organization	4,000
(iii)	Abolition of the local allowances to the Kolar Divisional Officer and his establishment	1,368
(iv)	Reduction in the allotment on account of Uniforms	6,000
(v)	Abolition of the temporary Ganja establishment and Kolar Patrol Party:—	
Ganja.—		
	2 Inspectors (25) & (20) ... ... } 79×12	
	Horse allowance 2 (10) ... ... }	
	Peons 2 (7) ... ... }	
Kolar Patrol Party.—		2,016
	1 Assistant ... ... }	
	Inspector 35 ... ... } 89×12	
	Horse allowance 10 ... ... }	
	6 peons 2 (8) & 4 (7) ... ... }	
		62,784

14. The Government are, in conclusion, of opinion that the charge of the Prison's Department (now held by the Head of the Medical Department) should be tacked on to the Excise Commissioner and Inspector-General of Registration when next there is a change of incumbents, the pay of the combined appointments being limited to Rs. 1,400 as at present. Now that the Excise Department has been thoroughly re-organised, and the tree-tax system placed on a stable footing,

and a regular Code of Regulations and Rules has been passed for the administration of the Department and the duties of the Excise Commissioner and Inspector-General of Registration are comparatively light, it is considered that he can well undertake the additional duties of Inspector-General of Prisons.

K. S. CHANDRASEKHARA AIYAR,
Secy. to Govt., Gen. & Rev. Depts.

To—The Excise Commissioner in Mysore.
The Deputy Commissioners of Districts.
The Comptroller, Mysore Government.
The Inspector-General of Prisons in Mysore.
The Inspector-General of Registration.

1906-07

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

FINANCIAL (SEPARATE REVENUE)

PROCEEDINGS

Dated 15th June 1907

No. Fl. 9243-54
S. R. 145-06.

Passes orders on the Memorandum on the possibilities of retrenchment and improvement of revenue in the Excise Department, submitted by the Committee appointed in G. O. No. Fl. 7166-211 dated 30th April 1906.

GPB—250—20-6-07.